

Press Release

Leander Commerce LLP

July 30, 2018



Rating Assigned

Total Bank Facilities Rated*	Rs. 17.50 Cr.
Long Term Rating	ACUITE B / Outlook: Stable
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuité has assigned long-term rating of '**ACUITE B**' (**read as ACUITE B**) and short term rating of '**ACUITE A4**' (**read as ACUITE A four**) on the Rs.17.50 crore bank facilities of Leander Commerce LLP. The outlook is '**Stable**'.

Leander Commerce LLP (LCLP) is a limited liability partnership firm based out of Mumbai (Maharashtra). The firm was established in November 2016 and the trading commenced from March, 2018. The firm is engaged in trading of agro commodity, edible oil, spices, and paper & paper product.

Key Rating Drivers

Strengths

- **Experienced management**

LCLP was promoted by Mr. Amith Jain and Mr. Abhinandan Jain. Mr Amith Jain has gained experience of over a decade in agro commodity industry.

Weaknesses

- **Nascent stage of operations**

LCLP was established in November 2016 and the trading activity commenced from March, 2018. The firm is currently engaged in trading of agro commodities. It is in initial stage of operations and yet to demonstrate its performance.

- **Customer concentration risk**

The firm is exposed to customer concentration risk since majority of sales is made to only one customer. The firm has challenge to target new customers to expand its business.

Analytical Approach

Acuité has considered the standalone business and financial risk profiles of Leander Commerce LLP to arrive at the rating.

Outlook: Stable

Acuité believes that LCLP will maintain a 'Stable' business risk profile in the medium term on account of its experienced management. The outlook may be revised to 'Positive' in case the firm registers higher-than-expected growth in revenues and net cash accruals. Conversely, the outlook may be revised to 'Negative' in case the firm registers lower-than-expected growth in revenues and profitability, or in case of deterioration in financial risk profile or higher than expected working capital requirements.

About the Rated Entity - Key Financials

	Unit	FY18 (Provisional)	FY17 (Actual)
Operating Income	Rs. Cr.	8.06	0.09
EBITDA	Rs. Cr.	0.15	0.06
PAT	Rs. Cr.	0.03	0.05
EBITDA Margin	(%)	1.87	74.56
PAT Margin	(%)	0.41	62.67
ROCE	(%)	3.42	102.75
Total Debt/Tangible Net Worth	Times	0.66	4.61
PBDIT/Interest	Times	1.51	2925.17
Total Debt/PBDIT	Times	22.77	1.60
Gross Current Assets (Days)	Days	720	555

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE B / Stable
Letter of credit	Not Applicable	Not Applicable	Not Applicable	12.50	ACUITE A4

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About Acuité Ratings & Research:

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