

Press Release

Laxcon Steels Limited

March 23, 2021

Rating Update



Total Bank Facilities Rated*	Rs. 265.00 Cr. #
Long Term Rating	ACUITE BBB Issuer not co-operating* (Downgraded from ACUITE A-/Stable)
Short Term Rating	ACUITE A3+ Issuer not co-operating* (Downgraded from ACUITE A1)

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuite has downgraded its long term rating to '**ACUITE BBB**' (read as **ACUITE triple B**) from '**ACUITE A-**' (read as **ACUITE A minus**) and downgraded its short term rating to '**ACUITE A3+**' (read as **ACUITE A three plus**) from '**ACUITE A1**' (read as **ACUITE A one**) on the Rs.265.00 crore bank facilities of Laxcon Steels Limited (LSL). This rating is now an indicative rating and is downgraded on account of information risk.

Incorporated in 1991, LSL is a Flagship Company of Delhi-based Gopal group, which is promoted by Mr. Gopal Swarup Gupta and family. The company is engaged in the manufacturing of high quality stainless steel grades like Austenitic, Martensitic, Ferritic, Precipitation Hardening, among others. LSL caters to various sectors like, Automotive, Heavy Engineering, and Energy & Power, to name a few. The company has its facility located at Ahmedabad, Gujarat.

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators

"No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
30-Dec-2019	Term Loan	Long Term	15.00	ACUITE A- / Stable (Reaffirmed)
	Cash Credit	Long Term	60.00	ACUITE A- / Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	5.00	ACUITE A- / Stable (Reaffirmed)
	Letter of Credit	Short Term	10.00	ACUITE A1 (Reaffirmed)
	Letter of Credit	Short Term	70.00	ACUITE A1 (Reaffirmed)
	Term Loan	Long Term	0.20	ACUITE A- / Stable (Reaffirmed)
	Cash Credit	Long Term	60.00	ACUITE A- / Stable (Reaffirmed)
	Cash Credit	Long Term	30.00	ACUITE A- / Stable (Reaffirmed)
	Term Loan	Long Term	4.80	ACUITE A- / Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE A- / Stable (Reaffirmed)
04-Oct-2018	Cash Credit	Long Term	60.00	ACUITE A- / Stable (Assigned)
	Cash Credit	Long Term	30.00	ACUITE A- / Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE A- / Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE A- / Stable (Assigned)
	Term Loan	Long Term	4.80	ACUITE A- / Stable (Assigned)
	Term Loan	Long Term	0.20	ACUITE A- / Stable (Assigned)
	Letter of Credit	Short Term	70.00	ACUITE A1 (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A1 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Term Loan	Not Available	Not Available	Not Available	15.00	ACUITE BBB Issuer not co-operating* Downgraded from ACUITE A- /Stable
Cash Credit	Not Applicable	Not Applicable	Not Applicable	60.00	ACUITE BBB Issuer not co-operating* Downgraded from ACUITE A- /Stable
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BBB Issuer not co-operating* Downgraded from ACUITE A- /Stable
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A3+ Issuer not co-operating* Indicative (Downgraded from ACUITE A1)
Letter of Credit	Not Applicable	Not Applicable	Not Applicable	70.00	ACUITE A3+ Issuer not co-operating* Indicative (Downgraded from ACUITE A1)
Term Loan	Not Available	Not Available	Not Available	0.20	ACUITE BBB Issuer not co-operating* Downgraded from ACUITE A- /Stable
Cash Credit	Not Applicable	Not Applicable	Not Applicable	60.00	ACUITE BBB Issuer not co-operating* Downgraded from ACUITE A- /Stable
Cash Credit	Not Applicable	Not Applicable	Not Applicable	30.00	ACUITE BBB Issuer not co-operating* Downgraded from ACUITE A- /Stable
Term Loan	Not Available	Not Available	Not Available	4.80	ACUITE BBB Issuer not co-operating* Downgraded from ACUITE A- /Stable
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BBB Issuer not co-operating* Downgraded from ACUITE A- /Stable

*The issuer did not co-operate; Based on best available information.

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President - Corporate Ratings Tel: 022-4929 4041 aditya.gupta@acuite.in Bhavani Sankar Oruganti Senior Analyst - Rating Operations Tel: 040-4004 2327 bhavanisankar.oruganti@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-4929 4011 rating.desk@acuite.in

About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 8,615 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

Disclaimer: *An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité, Acuité's ratingscale and its definitions.*