



Press Release

LARE FIBC AND ENERGIES PRIVATE LIMITED (ERSTWHILE TECH SUN ENERGIES PRIVATE LIMITED)

December 01, 2023

Rating Downgraded and Issuer not co-operating

Products	Amt(Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	26.00	ACUITE D Downgraded Issuer not co-operating*	-
Bank Loan Ratings	3.50	-	ACUITE D Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	29.50	-	-

Rating Rationale

Acuite has downgraded the long term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE B-**' (read as **ACUITE B minus**) and the short term rating '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.29.50 Crore bank facilities of Lare Fibc & Energies Private Limited (LFEPL). The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information. The downgrade is on the basis of publicly available information.

About the Company

Tamil Nadu based, LFEPL was originally incorporated in 2012 as Tech Sun Energies Private Limited; the name was changed in 2019. The Company is promoted by Mr. Mayilvel Ponnusamy and Mrs. Navaneethan Krishnan Ponlakshmi. The company is engaged in providing Operation and Maintenance Services to various Industry segments with specialisation in Power related industries and Petrochemicals Industries.

In May 2018, LFEPL is proposed to diversify its business to manufacturing of flexible intermediate bulk containers (FIBC) also known as Jumbo bags for packaging applications. The company commenced operations from January 2020. The manufacturing unit is located in Tirunelveli in Tamil Nadu and has installed production capacity of 750 per hour.

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 the due date. Acuite believes that information risk is a critical component in such ratings, and noncooperation 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

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 endeavored 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.

About the Rated Entity - Key Financials

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

Rating Sensitivity

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

All Covenants

None

Liquidity Position

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

Outlook: Not Applicable**Other Factors affecting Rating**

None

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
11 Oct 2022	Secured Overdraft	Long Term	1.00	ACUITE B- (Issuer not co-operating*)
	Term Loan	Long Term	7.60	ACUITE B- (Issuer not co-operating*)
	Packing Credit	Short Term	2.00	ACUITE A4 (Issuer not co-operating*)
	Letter of Credit	Short Term	1.50	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	17.40	ACUITE B- (Issuer not co-operating*)
14 Jul 2021	Packing Credit	Short Term	2.00	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	7.60	ACUITE B- (Issuer not co-operating*)
	Letter of Credit	Short Term	1.50	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	17.40	ACUITE B- (Issuer not co-operating*)
	Secured Overdraft	Long Term	1.00	ACUITE B- (Issuer not co-operating*)
20 Apr 2020	Letter of Credit	Short Term	1.50	ACUITE A4 (Reaffirmed)
	Packing Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Secured Overdraft	Long Term	1.00	ACUITE B- Stable (Reaffirmed)
	Term Loan	Long Term	7.60	ACUITE B- Stable (Assigned)
	Term Loan	Long Term	17.40	ACUITE B- Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	1.50	ACUITE D Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	2.00	ACUITE D Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE D Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	17.40	ACUITE D Downgraded Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	7.60	ACUITE D Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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