



Press Release
LAHOTY BROTHERS PRIVATE LIMITED
November 12, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	21.50	ACUITE BBB- Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	21.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on Rs.21.50 Cr. bank facilities of Lahoty Brothers Private Limited. The outlook is '**Stable**'.

Rationale for Rating

The rating reaffirmation factors in the steady scale of operations of the company along with diversified revenue base and the company's long track record of operations managed by the experienced management. The financial risk profile remains moderate marked by increase in networth, gearing below unity and moderate debt protection metrics. The rating further considers the adequate liquidity position of LBPL supported by the sufficient net cash accruals against debt repayment, moderate current ratio, efficient working capital cycle and moderate bank limit utilization. These strengths are however, offset by the thin profitability margins and susceptibility to intense competition in this business.

About the Company

Incorporated in 1943, Lahoty Brothers Private Limited (LBPL) is based in Kolkata and managed by the Lahoty family. The company operates six retail outlets of Hindustan Petroleum Corporation Limited (HPCL) in Upper Assam. Further, LBPL is an authorized distributor of Orient Fans in the entire Northeast Region. LBPL is also engaged in trading of raw jute and coal. The directors of the company are Mr. Pranav Jatia, Mr. Arvind Jatia, Ms. Sangeeta Jatia and Mr. Vijay Singh Sarda.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of LBPL while arriving at the rating.

Key Rating Drivers

Strengths

Steady scale of operations

The company has achieved revenues of Rs.198.72 Cr. in FY25 as against Rs.200.21 Cr. in FY24. The moderation in revenue was primarily driven by a decrease in sale of petroleum products, as some tea gardens shifted to solar energy, reducing demand for petroleum products. Additionally, a price differential of Rs. 4-5 per litre between Assam and neighbouring states like Meghalaya led to a shift in purchasing patterns. Further, the company has achieved revenue of Rs.102.00 Cr. till H1FY26. The EBITDA margin remained stable at 2.29 percent in FY25 as against 2.17 percent in FY24. The PAT margin stood at 0.73 percent in FY25 as against 0.61 percent in FY24. Acuite believes that the scale of operations will remain on similar levels over the medium term.

Moderate Financial Risk Profile

The company's moderate financial risk profile is marked by increase in networth, comfortable gearing and moderate debt protection metrics. The tangible net worth of the company increased to Rs.25.48 Cr. in FY25 as against Rs.24.06 Cr. in FY2024 due to low accretion of reserves. Acuite has considered Rs.10.34 Cr. as a part of quasi-equity because the management has undertaken to maintain this amount in the business till the tenure of the loans. Gearing of the company stood below unity at 0.82 times in FY25 as against 0.78 in FY2024. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood low at 1.19 times in FY2025 as against 1.07 times in FY2024. The debt protection metrics of the company is marked by Interest Coverage Ratio of 1.81 times and Debt Service Coverage Ratio of 1.23 times during FY25. Acuite believes that the financial risk profile of the company will remain moderate with no major debt funded capex plans.

Efficient Working Capital Cycle

The efficient working capital cycle of the company is marked by Gross Current Assets (GCA) of 91 days in FY25 as compared to 79 days in FY24. The inventory days stood at 19 days in FY25 as against 16 days in FY24. Raw jute is supplied directly to customers upon the demand, eliminating the need for inventory. Inventory of Petroleum products are stored according to the sales of 4-5 days. The debtor days stood at 67 days in FY25 as against 57 days in FY24. The creditor days stood at 16 days in FY25 as against 11 days in FY24. Acuite believes that the working capital cycle will remain on similar levels over the medium term.

Weaknesses

Exposure to intense competition & regulatory risks

The dealership business is characterised by thin margins and low bargaining power of the dealer owing to the trading nature of operations, as margins on electrical appliances are determined by the principal. The inherently low value addition and intense competition in the sector resulted in low margins for the company. Furthermore, the company is exposed to regulatory risk, as any interference by the Government of India affects its profitability.

Rating Sensitivities

Movement in operating income and profitability margins
Working capital cycle

Liquidity Position Adequate

The company's liquidity position is adequate marked by net cash accruals of Rs.1.92 crore in FY25 as against a 1.03 Cr. long-term debt repayment over the same period. The current ratio stood at 1.84 times in FY25 as compared to 2.02 times in FY24. The cash and bank balances stood at Rs 2.67 crore in FY25. The company does not have any debt funded capex plans over the medium term. Additionally, the fund-based limit was utilized at 87.20 per cent and non-fund-based limit was utilized at 51.43 percent for the six-months ended July 2025. However, the company has efficient working capital management as reflected by Gross Current Assets (GCA) of 91 days in FY25 as compared to 79 days in FY24. Acuite believes that the company will maintain adequate liquidity position backed by sufficient net cash accruals against debt repayments, moderate current ratio albeit high bank limit utilization.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	198.72	200.21
PAT	Rs. Cr.	1.44	1.22
PAT Margin	(%)	0.73	0.61
Total Debt/Tangible Net Worth	Times	0.82	0.78
PBDIT/Interest	Times	1.81	1.79

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

Not Applicable

Any other information

None

Applicable Criteria

- 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>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.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
19 Aug 2024	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.53	ACUITE BBB- Stable (Reaffirmed)
	Proposed Term Loan	Long Term	5.80	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.17	ACUITE BBB- Stable (Reaffirmed)
22 May 2023	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	1.70	ACUITE BBB- Stable (Reaffirmed)
	Proposed Term Loan	Long Term	4.80	ACUITE BBB- Stable (Reaffirmed)
09 May 2022	Cash Credit	Long Term	15.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Covid Emergency Line.	Long Term	1.10	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Covid Emergency Line.	Long Term	0.75	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)
	Proposed Long Term Loan	Long Term	4.65	ACUITE BBB- Stable (Upgraded from ACUITE BB+ Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB- Stable Reaffirmed
Canara Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	01 Oct 2026	0.32	Simple	ACUITE BBB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.18	Simple	ACUITE BBB- Stable Reaffirmed

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About Acuité Ratings & Research

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