

Press Release
LAXMI ENTERPRISES
March 07, 2024



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rat
Bank Loan Ratings	10.26	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	39.74	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	50.00	-	-

Rating Rationale

Acuite has downgraded its long term rating to 'ACUITE BB+' (read as ACUITE Double B Plus) from 'ACUITE BBB' (read as ACUITE Triple B) and short term rating to 'ACUITE A4+' (read as ACUITE A Four Plus) from 'ACUITE A3+' (read as ACUITE A Three Plus) on the Rs.50.00 crore bank facilities of Laxmi Enterprises (LE). This rating is now an indicative rating and is based on best available information. The downgrade is on account of information risk.

About the Company

Laxmi Enterprises (LE), a Jharkhand based partnership firm was established in the year 2002, by Mr. Vikas Kumar Saw, Mr. Ashish Kumar Saw, Mrs. Lakhi Devi and Mrs. Sangeeta Devi. The firm is mainly into construction business related to railway track installation, approach roads, level crossings, staff quarters, and supply of ballast etc. The firm is a registered government contractor for South Eastern Railways, East Coast Railways, Steel Authority of India Limited, Ircn International Limited, among others.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower

Acuite has been requesting for No Default Statements (NDS); however, despite multiple requests; the Company's management has remained non-cooperative and not submitted the NDS for the preceding 03 consecutive months. 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.

Rating Sensitivities

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	121.45	74.76
PAT	Rs. Cr.	7.26	4.16
PAT Margin	(%)	5.98	5.57
Total Debt/Tangible Net Worth	Times	0.92	0.81
PBDIT/Interest	Times	8.40	5.20

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Infrastructure Sector: <https://www.acuite.in/view-rating-criteria-51.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité 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
01 Aug 2023	Bank Guarantee (BLR)	Short Term	19.07	ACUITE A3+ (Reaffirmed)
	Bank Guarantee (BLR)	Short Term	12.00	ACUITE A3+ (Assigned)
	Bank Guarantee (BLR)	Short Term	8.67	ACUITE A3+ (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	0.73	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	0.53	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	6.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	3.00	ACUITE BBB Stable (Assigned)
27 May 2022	Working Capital Demand Loan (WCDL)	Long Term	0.73	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	1.10	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	6.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Bank Guarantee (BLR)	Short Term	18.50	ACUITE A3+ (Upgraded from ACUITE A3)
11 Mar 2021	Cash Credit	Long Term	6.00	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.33	ACUITE BBB- Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	1.50	ACUITE BBB- Stable (Assigned)
	Bank Guarantee (BLR)	Short Term	18.50	ACUITE A3 (Assigned)

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 avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	19.07	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
ICICI Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.67	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A3+)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
ICICI Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	3.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.53	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB)
Canara Bank	Not avl. / Not	Working Capital Demand Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	0.73	ACUITE BB+ Downgraded Issuer not co-

	appl.	(WCDL)						operating* (from ACUITE BBB)
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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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