

## Laxmi Balaji Cotton Industries

February 04, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	7.99	<b>CARE B; Stable; ISSUER NOT COOPERATING* Single B; Outlook: Stable; ISSUER NOT COOPERATING*</b>	<b>Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)</b>
Total Facilities	<b>7.99 (Rs. Seven Crore and Ninety-Nine Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 29, 2021, placed the rating(s) of Laxmi Balaji Cotton Industries (LBCI) under the 'issuer non-cooperating' category as LBCI had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. LBCI continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated December 15, 2021, December 25, 2021, January 04, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of LBCI have been revised on account of non-availability of requisite information.

### Detailed description of the key rating drivers

Please refer to PR dated [January 29, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Firm

Sendhwa (Madhya Pradesh) based Laxmi Balaji Cotton Industries (LBCI) was formed in June 2015 as a partnership firm by Mr Ankit Tayal and Mr Sajal Agrawal. In June 2017, Mr Sajal Agrawal has retired from the firm and Mr. Rachit Tayal has joined firm as partner. Mr Ankit Tayal and Mr Rachit Tayal share profit or loss in ratio of 60% and 40% respectively. The company belongs to Mahesh Group, Sendhwa, which is engaged in the business of cotton ginning and trading since more than two decades. The firm is engaged in the business of cotton ginning and pressing along with the production of cotton seed and cake. The manufacturing unit of the firm has installed capacity to manufacture cotton bales of 300 Bales per Day (BPD) as on November 20, 2019. LBCI has its plant located at Shahapur, Karnataka and procures raw cotton directly from farmers and local mandis and sells its finished products cotton bales mainly in Tamil Nadu and cotton Seed in Maharashtra.

Brief Financials (Rs. crore)	31-03-2020 (Prov.)	31-03-2021(A)	9MFY22 (Prov.)
Total operating income	51.20	NA	NA
PBILDT	1.73	NA	NA
PAT	0.84	NA	NA
Overall gearing (times)	0.50	NA	NA
Interest coverage (times)	2.95	NA	NA

A: Audited; Prov.: Provisional; NA: Not Available

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and in other CARE publications

\*Issuer did not cooperate; Based on best available information

**Status of non-cooperation with previous CRA:** CRISIL has continued its rating assigned to the bank facilities of LBCI into ISSUER NON-COOPERATING as per press release dated October 13, 2021 as firm remained non-cooperating for providing information to monitor its performance.

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure-3

**Complexity level of various instruments rated for this firm:** Annexure-4

**Annexure-1: Details of Instruments/Facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	May 2021	1.39	CARE B; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	6.60	CARE B; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating History of last three years**

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	1.39	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (29-Jan-21)	1)CARE B+; Stable (27-Nov-19)	-
2	Fund-based - LT-Cash Credit	LT	6.60	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (29-Jan-21)	1)CARE B+; Stable (27-Nov-19)	-

\*Issuer did not cooperate; Based on best available information

**Annexure 3: Detailed explanation of covenants of rated instrument/facility:** Not Applicable

**Annexure 4: Complexity level of various instruments rated for this firm**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

**Annexure 5: Bank Lender Details for this Firm**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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### About CARE Ratings Limited:

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