

Laxmi Traders

May 04, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	10.00	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	10.00 (Rs. Ten Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated February 14, 2020, placed the rating of Laxmi Traders (LT) under the 'issuer non-cooperating' category as LT had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. LT continues to be non-cooperative despite repeated requests for submission of information through e-mails dated April 28, 2021 and April 29, 2021, phone calls and a letter sent along with mail. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE'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.

Detailed description of the key rating drivers

At the time of last rating on February 14, 2020 the following were the rating weaknesses:

Key Rating Weaknesses

Delays in servicing of debt obligations: As per the interaction with the banker, the cash credit account was overdrawn for more than 90 days and the account was classified in the NPA category during previous review exercise. Further, LT continues to be non-cooperative and hence latest details are not available.

Analytical approach: Standalone

Applicable Criteria

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

[CARE's Policy on Default Recognition](#)

[Financial ratios – Non-Financial Sector](#)

[Liquidity analysis of non-financial sector entities](#)

[Rating Methodology - Wholesale Trading](#)

About the Company

Laxmi Traders (LT) based out of Nagpur, Maharashtra is a proprietorship concern promoted by Mr. Ramanarao Bholla and commenced operation in January, 2013. Since inception, the firm has been engaged in the trading of food grains i.e. rice, dal, chana, wheat etc. The traded goods are purchased from the farmers based in Nagpur and domestic suppliers situated at Andhra Pradesh, Tamil Nadu, and Karnataka.

Brief Financials (Rs. crore)	FY17 (A)	FY18 (Prov)
Total operating income	52.30	31.65
PBILDT	1.46	2.19
PAT	0.16	0.10
Overall gearing (times)	4.85	19.21
Interest coverage (times)	1.14	1.05

A: Audited; Prov: Provisional

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument / facility: Not Applicable

Complexity level of various instruments rated for this company: Annexure 3

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	10.00	CARE D; ISSUER NOT COOPERATING*

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-Cash Credit	LT	10.00	CARE D; ISSUER NOT COOPERATING*	-	-	1)CARE D; ISSUER NOT COOPERATING* (14-Feb-20)	1)CARE B-; Stable (20-Feb-19)

Annexure 3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple

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

Contact us

Media Contact

Mradul Mishra

Contact no.: 022 - 6837 4424

Email ID: mradul.mishra@careratings.com

Analyst Contact

Ms. Prateechee Misra

Contact no.: 020 – 4000 9026

Email ID: prateechee.misra@careratings.com

Relationship Contact

Mr. Aakash Jain

Contact no.: 020 - 4000 9090

Email ID: aakash.jain@careratings.com

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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