

## Lakshmi Precision Screws Limited

November 08, 2022

### Ratings

Facilities/ Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	115.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	77.00	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>192.50</b> <b>(₹ One Hundred Ninety-Two Crore and Fifty Lakhs Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 18, 2021, placed the ratings of Lakshmi Precision Screws Limited (LPSL) under the 'issuer non-cooperating' category as LPSL had failed to provide information for monitoring of the rating as agreed to in its Rating Agreement. LPSL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and emails dated July 4, 2022, July 14, 2022, July 24, 2022 and October 11, 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).**

### Detailed description of the key rating drivers

At the time of last rating on August 18, 2021, the following were the rating weaknesses:

#### Key Rating Weaknesses

**Delays in debt servicing:** There has been delays in the servicing of the debt obligations by LPSL. The company has been classified as Non-Performing Asset (NPA) by the banks.

**Under Corporate Insolvency Resolution Process (CIRP):** By the order of the National Company Law Tribunal (NCLT), CIRP has been initiated against LPSL under the provisions of Insolvency and Bankruptcy Code, 2016 (IBC). The petition for initiation of the CIRP was filed by an operational creditor of the company. An Insolvency Resolution Professional (IRP) has also been appointed by the NCLT, with respect to the company

#### Liquidity: Poor

LPSL has poor liquidity position since, there has been delays in the servicing of the debt obligations by LPSL.

**Analytical approach:** Standalone

#### Applicable Criteria

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

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

[Steel](#)

#### About the Company

Lakshmi Precision Screws Limited (LPSL) was incorporated in December, 1968 as a private limited company. Subsequently, the company was reconstituted as a public limited company in 1972. LPSL is engaged in the manufacturing of high -tensile fasteners

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

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

with total installed capacity of 28,432 Metric Tonnes Per Annum (MTPA), as on March 31, 2017. The company currently has four manufacturing units, three are situated in Rohtak and one in Gurugram, Haryana. The company caters to various sectors such as wind Energy, Oil & Gas, Locomotives, Automobiles, Agriculture Equipment (tractors) and different industrial requirements.

Brief Financials (₹ crore)	31-03-2021 (A)	31-03-2022 (A)	H1FY23*
Total operating income	NA	NA	NA
PBILD	NA	NA	NA
PAT	NA	NA	NA
Overall gearing (times)	NA	NA	NA
Interest coverage (times)	NA	NA	NA

A: Audited; NA: Not Available

\*refers to the period from April 1, 2022 to September 30, 2022.

**Status of non-cooperation with previous CRA:** Brickwork Ratings has conducted the review and has maintained Lakshmi Precision Screws Limited as "Not Cooperating" vide its press release dated July 27, 2021.

CRISIL Ratings has suspended its rating vide press release dated July 18, 2014 on account of its inability to carry out a rating surveillance in the absence of the requisite information from the company.

**Any other information:** Not Applicable

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

**Covenants of rated instrument / facility:** Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

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

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Working Capital Limits		-	-	-	115.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	77.00	CARE D; ISSUER NOT COOPERATING*

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#### Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Working Capital Limits	LT	115.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	-
2	Non-fund-based - ST-BG/LC	ST	77.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (18-Aug-21)	1)CARE D; ISSUER NOT COOPERATING* (30-Jun-20)	-

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

**Annexure-3: Detailed explanation of covenants of the rated instrument / facilities:** Not Applicable

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

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Working Capital Limits	Simple
2	Non-fund-based - ST-BG/LC	Simple

**Annexure-5: Bank lender details for this company**

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](mailto:care@careedge.in) for any clarifications.

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**About CARE Ratings Limited:**

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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