

## Laxmi Balaji Cotton Industries

May 02, 2024

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	7.99	CARE B-; Stable; ISSUER NOT COOPERATING*	Rating continues to remain under ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. had, vide its press release dated April 11, 2023, 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 February 25, 2024, March 06, 2024, March 16, 2024.

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).**

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of the key rating drivers

Please refer to PR dated [April 11, 2023](#)

### Applicable criteria

[CARE Rating's criteria on information adequacy risk and issuer non-cooperation](#)

[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)	March 31, 2019(A)	March 31, 2020(Prov.)
Total operating income	65.10	51.20
PBILDT	1.87	1.73
PAT	0.83	0.84
Overall gearing (times)	1.64	0.50
Interest coverage (times)	3.02	2.95

A: Audited; Prov.: Provisional; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** CRISIL has continued the ratings assigned to the bank facilities of LBCI to 'Issuer Not Cooperating' category vide press release dated February 13, 2024 on account of its inability to carry out a review in the absence of the requisite information from the firm.

**Any other information:** Not Applicable

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

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

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

**Complexity level of various instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### 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-Cash Credit		-	-	-	6.60	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	May 2021	1.39	CARE B-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

#### 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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	1.39	CARE B-; Stable; ISSUER NOT COOPERATING *	-	1)CARE B-; Stable; ISSUER NOT COOPERATING * (11-Apr-23)	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (04-Feb-22)
2	Fund-based - LT-Cash Credit	LT	6.60	CARE B-; Stable; ISSUER NOT COOPERATING *	-	1)CARE B-; Stable; ISSUER NOT COOPERATING * (11-Apr-23)	-	1)CARE B; Stable; ISSUER NOT COOPERATING * (04-Feb-22)

\*Issuer did not cooperate; based on best available information.

LT: Long term

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

#### Annexure-4: Complexity level of the various instruments rated

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

#### Annexure-5: Lender details

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

**Note on the complexity levels of the rated instruments:** CARE Ratings 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.

### Contact us

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### About us:

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### Disclaimer:

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