

Laxmi Siddharth Transmissions LLP

October 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	25.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Long-term / Short-term bank facilities	55.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category
Short-term bank facilities	20.00	CARE A4; ISSUER NOT COOPERATING*	Rating moved to 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 Limited (CareEdge Ratings) has been seeking information from Laxmi Siddharth Transmissions LLP (LST LLP) to monitor the rating(s) vide e-mail communications dated July 22, 2025, July 28, 2025, August 04, 2025, September 15, 2025, September 17, 2025, and September 19, 2025, and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the rating. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. The rating on bank facilities of LST LLP will now be denoted as CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*.

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

The last ratings assigned to bank facilities of LST LLP, were considering better execution of orders in FY24 (FY refers to April 01 to March 31) and an improvement in the collection cycle. However, ratings were constrained by the absence of new orders in FY24 with customer concentration, high dependence on working capital limits, partnership constitution, and inherent risk associated with tender based business. However, ratings derived strength from improved scale of operations in FY24 despite declining profitability margins, experienced promoters with established operational track record, satisfactory financial risk parameters marked by comfortable capital structure and debt coverage indicators.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations to ₹75 crore while maintaining profit before interest, lease rentals, depreciation and taxation (PBILDT) margins at existing levels.
- Improvement in the collection period to below 120 days.
- Sustained improvement in leverage ratio marked by TOL/TNW below 1x.

Negative factors

- Elongation in the operating cycle impacting the firm's liquidity position.
- Significant delay in execution of work resulting decline in financial performance, going forward.

Analytical approach: Standalone

Outlook: Stable

CareEdge Ratings believes that the entity will continue to benefit from the extensive experience of partners in the industry.

Detailed description of key rating drivers considered in last surveillance dated August 26, 2024

Key weaknesses

Absence of new orders in FY24 and customer concentration of the outstanding orderbook

The firm has not been able to add additional orders due to bank guarantee (BG) issues and name change. The firm's current outstanding orderbook is ₹205.90 crore as on June 30, 2024, of which the firm has a customer concentration of 80% from Chhattisgarh, 17% from Andhra Pradesh (majority of which is from Indian Navy) and 3% from Telangana. With 80% alone to be

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

executed from Chhattisgarh State Transmission Company Limited, the firm is exposed to customer concentration risk. This risk is partially mitigated due to the strong credit history of CSPTCL.

Working capital intensive operations

The firm's operations remained working capital intensive. However, the cycle improved to 70 days in FY24 against 146 days in FY23 considering improvement in the collection period. The firm's outstanding debtors were ₹24.00 crore as on March 31, 2023, which stood at ₹29.90 crore as on March 31, 2024. These receivables include the retention money. The firm's working capital utilisation remained at 90% for last 12 months ending June 30, 2024. Therefore, the operation remained working capital intensive. However, the working capital requirement is met through creditors and internal accruals.

Susceptibility of margins to volatile raw material prices

Raw material costs form the major chunk of the cost of sales which is 50-60% of the total cost of sales in last three years ended FY24. Raw materials involved in manufacturing include copper, steel, transformer oil and electrical components and parts. The prices of key raw materials, steel, and copper have shown a rising trend in the recent past which led to moderation in profit margins. However, the firm follows the policy of order-backed procurement and receives price escalation on certain orders, which mitigates the effect to an extent.

Constitution of the entity being a partnership firm

LST LLP being a partnership firm has inherent risk of withdrawing the partners' capital at the time of personal contingency and the firm being dissolved upon the retirement/insolvency/demise of partners. Partnership firms have restricted access to external borrowings as creditworthiness of partners is the key factor affecting credit decisions for lenders.

Tender-based operations amid intensely competitive industry

The firm receives its work orders from government departments constituting 100% of its order book. All these orders are tender-based, and revenue depends on the firm's ability to bid successfully for these tenders. Profitability margins come under pressure because of the competitive industry. However, the promoters' long industry experience of over two decades mitigates this risk. There are numerous fragmented and unorganised players operating in the segment which makes the space highly competitive.

Key strengths

Improved total operating income (TOI) in FY24 despite declining profitability margins

The firm's scale of operations marked by TOI stood moderate at ₹74.18 crore in FY24 considering better execution of outstanding orders, quick approval from the government and quick sanction of BG for issuing performance BGs. The company's net worth is small at ₹23.84 crore as on March 31, 2024. On the profitability front, the firm has reported a PBIDLT margin of 6.53% in FY24, which is 102 bps lower than 7.55% reported in FY23. The lower PBIDLT margin is due to higher subcontractor expenses for the firm which increased to 20.31% in FY24 compared to 12.72% in FY23. Whereas the firm's profit after tax (PAT) margin stood at 2.42% in FY24 which is 15 bps lower than 2.56% in FY23.

Comfortable capital structure despite moderate debt coverage indicators

The firm's capital structure marked by debt equity and overall gearing ratio stood moderate and below unity as on March 31, 2024. The debt-equity ratio improved from 0.09x as on March 31, 2023, to 0.06x as on March 31, 2024, considering the scheduled repayment of term loans and increase in net worth considering an increase in partners' capital. The firm's overall gearing remained stable at 0.65x on March 31, 2024, against 0.50x as on March 31, 2023. Debt coverage indicators marked by total debt to gross cash accrual (TD/GCA) stood at 9.01x in FY24 (against 9.39x in FY23) due to an increase in GCA levels. PBIDLT/interest coverage ratio stood at 1.49x in FY24 against 1.40x in FY23.

Experienced promoters with an established operational track record of the firm

LST LLP was established in 1993 and has been in the electrical industry for over two decades. The firm is managed by V Venugopal Reddy and his family. He is a qualified postgraduate with an MBA and has two decades of experience in the electrical transmission work business. Due to vast experience and long-term presence in the industry, the firm has established relationships with customers and suppliers which enables the firm to successfully bid tenders.

Liquidity: Adequate

The firm has sufficient accruals against repayment obligation for FY24. The liquidity is supported by the above unity current ratio at 1.51x and cash equivalents amounting to ₹0.88 crore as on March 31, 2024. The firm's average fund-based working capital utilisation stood high at 90% for last 12 months ended June 30, 2024. However, the firm has further enhancements for working capital limits in the approval stage from bankers which will augur well for the firm in its operations. The firm reported positive cash flow from operations at ₹2.41 crore in FY24 and ₹4.20 crore in FY23.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)
[Information Adequacy Risk and Issuer Non-Cooperation](#)
[Rating Outlook and Rating Watch](#)
[Financial Ratios – Non financial Sector](#)
[Short Term Instruments](#)
[Power- Transmission](#)
[Liquidity Analysis of Non-financial sector entities](#)
[Construction Sector](#)

About the company and industry

Industry classification

Macro-economic indicator	Sector	Industry	Basic industry
Utilities	Power	Power	Power - Transmission

Telangana-based; Laxmi Transmissions (LT) was established in 1993 as a partnership firm promoted by V Venugopal Reddy and his family. LT undertakes turnkey contracts for the erection, installation and commissioning of substations and connecting power lines. It is registered as a Class A contractor with APTRANSCO (Transmission Corporation of Andhra Pradesh), TSTRANSCO (Transmission Corporation of Telangana Limited), APSPDCL (Andhra Pradesh Southern Power Distribution Company Limited) and CSPTCL (Chhattisgarh State Power Transmission Company Limited). In April 2024, the firm was converted into an LLP, named Laxmi Siddharth Transmissions LLP.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (UA)
Total operating income	56.39	38.23	74.18
PBILDT	3.39	2.89	4.84
PAT	1.61	0.98	1.80
Overall gearing (times)	0.79	0.50	0.65
Interest coverage (times)	2.12	1.40	1.49

A: Audited UA: Unaudited; Note: 'These are latest available financial results'

Status of non-cooperation with previous CRA:

- CRISIL Ratings continued Laxmi Siddharth Transmissions LLP erstwhile Laxmi Transmissions in the Issuer Not Cooperating category vide a press release dated March 11, 2025, on account of its inability to review in the absence of requisite information.
- ICRA continued Laxmi Siddharth Transmissions LLP erstwhile Laxmi Transmissions in the Issuer Not Cooperating category vide a press release dated April 21, 2025, on account of its inability to review in the absence of requisite information.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of 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 and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	25.00	CARE BB-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - LT/ST-Bank Guarantee		-	-	-	55.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	20.00	CARE A4; ISSUER NOT COOPERATING*

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

Annexure-2: Rating history for 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 2025-2026	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
1	Fund-based - LT-Bank Overdraft	LT	-	-	-	-	1)Withdrawn (25-Oct-23)	1)CARE BB; Stable (04-Nov-22)
2	Non-fund-based - LT/ST-Bank Guarantee	LT/ST	55.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (26-Aug-24)	1)CARE A4 (25-Oct-23)	1)CARE A4 (04-Nov-22)
3	Fund-based - LT-Cash Credit	LT	25.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (26-Aug-24)	1)CARE BB; Negative (25-Oct-23)	1)CARE BB; Stable (04-Nov-22)
4	Non-fund-based - ST-Letter of credit	ST	20.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (26-Aug-24)	1)CARE BB; Negative / CARE A4 (25-Oct-23)	-

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

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - LT/ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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