

Lakshmi Rail Infra Private Limited

November 24, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	5.00	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Total Bank Facilities	5.00 (Rs. Five Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated October 13, 2020, placed the rating(s) of Lakshmi Rail Infra Private Limited (LR IPL) under the 'issuer non-cooperating' category as LR IPL 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. LR IPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated August 29, 2021, September 08, 2021, September 18, 2021.

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(s).

The ratings assigned to the bank facilities of LR IPL have been revised on account of non-availability of requisite information. The ratings also factored in small scale of operations during FY20.

Detailed description of the key rating drivers

Please refer to PR dated [October 13, 2020](#)

Analytical approach: Combined

CARE has taken a combined view on Bemco Sleepers Limited, Lakshmi Pre-stress Concrete Works Private Limited and Lakshmi Rail Infra Private Limited. All the companies have similar line of operations; operate under the same management and operational linkages by way of intergroup transaction.

Applicable Criteria

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

[Policy on default recognition](#)

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

About the Company

The Padia Group is involved in manufacturing of plastic tubs, cans & bottles (mainly for paint, lube & ink industry) and concrete sleepers mainly for railways. The group is jointly managed by promoters- Kesar Chand Padia (Chairman) along with his two sons - Bijay Padia (handles concrete sleeper business) and Ajay Padia (handles plastic business). Incorporated in 1980 as a proprietorship firm, Bemco Sleepers Limited (BSL) was reconstituted as a private limited company in 1983 and thereafter as a public limited company in 1995. The company was taken over by Mr. K. C. Padia from erstwhile promoters in Jan 2005. BSL is engaged in manufacturing of pre-stressed concrete sleepers for Indian Railways and operates with two manufacturing units, one at Nandgaon and other at Kandwa with total installed Mono Block Sleepers capacity of 360,000 units per year and Turnout sleepers capacity of 67,500 units per year. Incorporated in 1987, Lakshmi Pre-stress Concrete Works Pvt Ltd (LPCWPL) is involved in manufacturing of concrete sleepers with a capacity to produce 252,000 units of Mono Block Sleepers per year. The company was taken over by Mr. K. C. Padia from erstwhile promoters in Sep 2017 by making OTS (One Time Settlement) to Indian Bank. Incorporated in 2009, Lakshmi Rail Infra Pvt Ltd (LR IPL) is involved in manufacturing of concrete sleepers with a capacity to produce 102,000 units of Mono Block Sleepers per year. The Company was taken over by Mr. K. C. Padia from erstwhile promoters in October 2018 by making OTS to State Bank of India (SBI).

Brief financials of LRIPL:

Brief Financials (Rs. crore)	FY 19(A)	FY20(A)	FY21(Prov.)
Total operating income	8.58	25.09	NA
PBILDT	0.05	3.26	NA
PAT	0.07	1.19	NA
Overall gearing (times)	NM	11.55	NA
Interest coverage (times)	0.09	3.00	NA

A: Audited, Prov.: Provisional, NM: Not Meaningful; NA: Not Available

Combined Brief financials:

Brief Financials (Rs. crore)	FY 19(A)	FY20(A)	FY21(Prov.)
Total operating income	105.96	94.80	NA
PBILDT	10.13	13.15	NA
PAT	3.94	4.27	NA
Overall gearing (times)	15.53	4.73	NA
Interest coverage (times)	2.19	2.19	NA

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

Status of non-cooperation with previous CRA: CRISIL has suspended LRIPL's rating vide press release dated July 25, 2013 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

Disclosure of Interest of Independent/Non-Executive Directors and Managing Director & CEO of CARE: 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 company: 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-Proposed fund-based limits		-	-	-	5.00	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-Proposed fund-based limits	LT	5.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (13-Oct-20)	1)CARE BB-; Stable (19-Jul-19)	-

*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-Proposed fund-based limits	Simple

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

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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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