

**Laxmi Traders**  
February 14, 2020

**Rating**

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long term Bank Facilities	10.00	<b>CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING *)</b>	Issuer Not Cooperating; Revised from CARE B-; Stable (Single B Minus; Outlook: Stable) on the basis of best available information
<b>Total</b>	<b>10.00 (Rs. Ten Crore only)</b>		

*Details of instruments/facilities in Annexure-1*

**Detailed Rationale & Key Rating Drivers**

CARE has been seeking information from Laxmi Traders (LTI) to monitor the rating vide e-mail communications dated July 03, 2019, September 10, 2019, January 08, 2020, January 09, 2020, January 30, 2020 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 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. The rating on LT's bank facilities will now be CARE D; ISSUER NOT COOPERATING\*

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

The revision in the rating takes into account the continuous overdrawals in the cash credit account, which persists for more than 90 days. Further, the account has been classified as NPA.

**Detailed description of the key rating drivers:****Key Rating Weaknesses**

**Delays in servicing of debt obligations:** As per the interaction with the banker, the cash credit account is overdrawn for more than 90 days and the account is classified in the NPA category.

**Analytical Approach:** Standalone

**Applicable Criteria**

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

[Criteria on assigning Outlook to Credit Ratings](#)

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

[CARE's Methodology for wholesale trading Companies](#)

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

**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	FY18
	12M, Audited	12M, Provisional
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

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

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

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

**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* Revised from CARE B-; Stable

*\*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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
2.	Fund-based - LT-Cash Credit	LT	12.00	CARE D; ISSUER NOT COOPERATING* Revised from CARE B-; Stable	-	1)CARE B-; Stable (20-Feb-19)	1)CARE B-; Stable (06-Nov-18)	-

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

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

**Contact us**

**Media Contact**

Name: Mr. Mradul Mishra  
 Contact no.: +91-22-6837 4424  
 Email ID: [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

**Analyst Contact**

Group Head Name: Ms. Prateechee Misra  
 Group Head Contact no.: 020 - 40009026  
 Group Head Email ID: [prateechee.misra@careratings.com](mailto:prateechee.misra@careratings.com)

**Business Development Contact**

Name: Mr. Rahul Nigam  
 Contact no. : 020 - 40009051  
 Email ID: [rahul.nigam@careratings.com](mailto:rahul.nigam@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**

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.