



Press Release

Lagnam Spintex Limited

February 22, 2022

Ratings

Instrument Facility /	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities*	203.60	IVR BBB-/Stable Outlook (IVR Triple B Minus with Stable Outlook)	Reaffirmed and Withdrawn
Short Term Bank Facilities	8.00	IVR A3 (IVR A Three)	Reaffirmed and Withdrawn
Total	211.60 (Two Hundred Eleven Crores Sixty Lakhs Only)		

*Long Term Bank Facilities includes proposed facilities amounting to Rs.27.24 Crore.

Details of Facilities are in Annexure 1

Rating Action

Infomerics has withdrawn the outstanding ratings of 'IVR BBB-; Stable/IVR A3' [Triple B Minus; Outlook: Stable/ A Three] assigned to the bank facilities of Lagnam Spintex Limited with immediate effect. The above action has been taken at the request of Lagnam Spintex Limited and 'No Objection Certificate' received from the bank(s) that have extended the facilities rated by Infomerics.

Detailed Rationale

The rating is withdrawn in accordance with Infomerics' policy on withdrawal and as requested by the company.

Analytical approach: Not Applicable

Applicable Criteria

Policy on Withdrawal of ratings



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About the Company

Lagnam Spintex Limited was originally incorporated in 2012 as private limited company and got converted to a public limited company in 2018. LSL is primarily engaged in manufacturing of rotor spun cotton yarn with total annual manufacturing capacity of 6376MT at a production facility in Bhilwara (Rajasthan).

The company has set up a new unit in Bhilwara (Rajasthan) for the manufacturing of ring-spun yarn. The plant became operational in July 2019 and is equipped with 25,536 spindles.

Financials (Standalone):

(Rs. In Crore)

For the year ended*	31-03-2020	31-03-2021
	Audited	Audited
Total Operating Income	176.44	205.41
EBITDA	15.56	25.86
PAT	1.12	4.53
Total Debt	161.80	168.37
Tangible Net worth	54.25	58.76
EBITDA Margin (%)	8.82	12.59
PAT Margin (%)	0.64	2.20
Overall Gearing Ratio (x)	2.98	2.87

* Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: N.A.

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2021-22)					Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating 21.02.2022	Rating 13.10.2021	Rating 17.06.2021	Date(s) & Rating(s) assigned in 2021-21	Date(s) & Rating(s) assigned in 2019-20	Date(s) & Rating(s) assigned in 2018-19
1.	Long term Fund Based Bank	Long Term	45.50		IVR BBB-/Stable Outlook	IVR BBB-/Stable Outlook	-	-	-



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	Facilities – Cash Credit (Sanctioned)			IVR BBB- /Stable Outlook and Withdrawn					
2.	Long term Fund Based Bank Facilities – Cash Credit (Proposed)	Long Term	27.24		IVR BBB- /Stable Outlook	-	-	-	-
3.	Long Term Fund Based Facilities- Term Loan	Short Term	97.72		IVR BBB- /Stable Outlook	IVR BBB- /Stable Outlook	-	-	-
4.	Long Term Fund Based Facilities- COVID Loans	Long Term	33.14		IVR BBB- /Stable Outlook	-	-	-	-
5.	Short Term Fund Based Bank Facilities- Export Credit – Pre and Post Shipment Limit	Short Term	4.50	IVR A3 and Withdrawn	IVR A3 IVR A3	IVR A3 IVR A3	-	-	-
6.	Short Term Fund Based Facilities- EPC/ PCFC/FBD/ EBR- Sub limit of CC	Short Term	(42.50)				-	-	-
7.	Short Term Fund Based Facilities- Working Capital Demand Loan (Sub limit of CC)	Short Term	(15.50)				-	-	-
8.	Short Term Non Fund Based Facilities- Bank Guarantee	Short Term	3.50				-	-	-

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About Infomerics:

Infomerics commenced rating & grading operations in April 2015 after having spent over 25 years in various segments of financial services. Infomerics is registered with the Securities and Exchange Board of India (SEBI) and accredited by Reserve Bank of India. It is gradually gaining prominence in domestic rating and/or grading space. Infomerics is striving for positioning itself as the most trusted & credible rating agency in the country and is gradually widening its product portfolio. Company's long experience in varied spectrum of financial services is helping it to fine-tune its product offerings to best suit the market.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change, suspend or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are 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 us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long term Fund Based Bank Facilities – Cash Credit (Sanctioned)	-	-	-	45.5	IVR BBB-/Stable Outlook and Withdrawn
Long term Fund Based Bank Facilities-Cash Credit (Proposed)	-	-	-	27.24	IVR BBB-/Stable Outlook and Withdrawn
Short Term Fund Based Bank Facilities-Export Credit – Pre and Post Shipment Limit	-	-	-	4.50	IVR A3 and Withdrawn
Short Term Fund Based Facilities EPC/PCFC/ FBD/EBR-Sub limit of CC	-	-	-	(42.50)	



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Short Term Fund Based Facilities-Working Capital Demand Loan (Sub limit of CC)	-	-	-	(15.50)	
Long Term Fund Based Facilities- Term Loan	-	-	FY28	97.72	IVR BBB-/Stable Outlook and Withdrawn
Long Term Fund Based Facilities-COVID Loan (GECL)	-	-	FY26	33.14	IVR BBB-/Stable Outlook and Withdrawn
Short Term Non Fund Based Facilities- Bank Guarantee	-	-	-	3.50	IVR A3 and Withdrawn

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Lagnam-Spintex-lenders-feb22.pdf>

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.