



Press Release

Laxmi Metal Pressing works Private Limited April 08, 2024

Ratings

Instrument / Facility	Amount (Rs. Crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	81.46	IVR D	Downgraded and removed from ISSUER NOT COOPERATING category	Simple
Total	81.46	(Rupees Eighty One Crore and Forty Six Lakhs Only)		

Details of Facilities are in Annexure 1

Detailed Rationale:

Infomerics has downgraded the ratings assigned to the bank facilities of Laxmi Metal Pressing works Private Limited on account of continuous delays in the debt servicing by the company.

Key Rating Sensitivities:

Upward Factors

- Timely servicing of debt obligations for at least 90 days.

List of Key Rating Drivers with Detailed Description

Key Rating Weaknesses

Delays in servicing of debt obligations

Infomerics has observed consistent delays in repayment of its term loans ranging from 1-15 days due to poor liquidity and cashflow mismatches. The most recent delay occurred in March 2024.

Analytical Approach: Combined

Infomerics Ratings has taken combined approach of evaluation by combining the financial results of Laxmi Metal Pressing Works Private Limited (LMPWPL), Laxmi Rikshaw Body Private Limited (LRBPL), Nahars Engineering India Private Limited (NEIPL) and Luminaz Safety Glass Private Limited (LSGPL) collectively referred to as the Laxmi group, as the companies are in same line of business having common management and significant operational & financial linkages.



Press Release

Applicable Criteria:

[Criteria on default recognition](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Manufacturing facilities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Consolidation of companies](#)

Liquidity – Poor

The liquidity position of the company is poor as the company is unable to repay its debts on timely basis. Further, there are ongoing delays in repayment of term loans latest being in the month of March 2024.

About the Group:

The Laxmi group consists of 4 companies namely Laxmi Metal Pressing Works Pvt. Ltd, Nahars Engineering India Pvt. Ltd, Laxmi Rickshaw Body Pvt. Ltd and Luminaz Safety Glass Pvt. Ltd. M/s Laxmi Metal Pressing Works Pvt. Ltd. was incorporated on January 02, 1996 by Mr. Subhash & M. Nahar. For the past 4 decades, it has been in manufacturing of Stampings, Tubular and Sheet Metal Assemblies, BIW Parts and Mufflers (Silencers) in India being supplied to leading Indian Automotive Manufacturers (OEMs). The group has also diversified into manufacturing of Laminated and Toughened automotive glasses for passenger and commercial vehicles.

About the Company:

Started in 1979, by taking over sick unit in Chikalthana, this laid the foundation of Laxmi Group of Industries. Company manufactured Aluminium and Stainless-steel utensils at this plant. Over a period of time, we moved from utensils to automobile components. In 2005, we started LMPW Unit II, at Waluj MIDC with HR Paint shop. Today, from this plant company supply 2000 Mufflers/day, paint 2000 2WH Mufflers/day, 2000 3WH mufflers/day and 3000 Cylinder Heads/day.



Press Release

Financials (Combined)*:

(Rs. Crore)		
For the year ended / As on	31-Mar-2022 (Unaudited)	31-Mar-2023 (Unaudited)
Total Operating Income	1267.54	1183.46
EBITDA	86.58	81.70
PAT	-8.35	42.77
Total Debt	554.07	529.25
Adjusted Tangible Net worth	334.28	363.69
EBITDA Margin (%)	6.83	6.90
PAT Margin (%)	-0.66	3.61
Adjusted Overall Gearing Ratio (times)	1.66	1.46

*Classification as per Infomerics standards

Financials (Standalone)*:

(Rs. Crore)		
For the year ended / As on	31-Mar-2022 (Audited)	31-Mar-2023 (Audited)
Total Operating Income	190.70	217.70
EBITDA	6.62	11.76
PAT	-18.26	14.29
Total Debt	144.57	140.54
Adjusted Tangible Net worth	82.50	95.22
EBITDA Margin (%)	3.47	5.40
PAT Margin (%)	-1.57	-2.00
Adjusted Overall Gearing Ratio (times)	1.75	1.48

*Classification as per Infomerics standards

Status of non-cooperation with previous CRA: NA

Any other information: None



Press Release

Rating History for last three years:

Sr. No.	Name of Instrument / Facilities	Type	Current Ratings (Year 2024-25)		Rating History for the past 3 years		
			Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23 (Aug 08, 2022)	Date(s) & Rating(s) assigned in 2021-22
1.	Term Loan	Long Term	70.46	IVR D	IVR BBB-/ Negative; INC*	IVR BBB/ Stable	–
2.	Cash Credit	Long Term	11.00	IVR D	IVR BBB-/ Negative; INC*	IVR BBB/ Stable	–

* Issuer did not cooperate; Based on best available information

Name and Contact Details of the Rating Analyst:

Name: Amey Joshi
Tel: (022) 62396023
Email: amey.joshi@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.



Press Release

For more information visit www.infomerics.com.

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 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 – Term Loan	–	–	–	70.46	IVR D
Long Term – Cash Credit	–	–	–	11.00	IVR D

Annexure 2: List of companies considered for consolidated analysis:

Name of the Company	Combined Approach
Laxmi Metal Pressing Works Private Limited	Full*
Laxmi Rikshaw Body Private Limited	Full*
Luminaz Safety Glass Private Limited	Full*
Nahars Engineering India Private Limited	Full*

**Intercompany transaction has been adjusted as per Infomerics standard.*

Annexure 3: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-LaxmiMetal-Pressing-apr24.pdf>



Press Release

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

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.

