



Press Release

New Laxmi Steel and Power Private Limited

July 18, 2022

Ratings

Instrument/ Facility	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities	56.49	IVR BBB-/ Stable (IVR Triple B minus with Stable Outlook) withdrawn	Reaffirmed and withdrawn	Simple
Total	56.49 (Fifty-six crores and fourty-nine lakhs)			

Details of Facilities are in Annexure 1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

Infomerics has reaffirmed and withdrawn the outstanding ratings of 'IVR BBB-/Stable (IVR triple B minus with stable Outlook]' assigned to the bank facilities of New Laxmi Steel and Power Private Limited with immediate effect. The above action has been taken at the request of New Laxmi Steel and Power Private Limited and 'No Objection Certificate' received from the Canara Bank and IndusInd Bank that have extended the facilities rated by Infomerics. ([Key Rating Drivers and Detailed description are as per the last Press Release dated July 22,2021](#))

Analytical Approach: Standalone

Applicable Criteria:

[Policy on Withdrawal of ratings](#)

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

[Rating Methodology for Manufacturing Companies](#)

[Criteria for rating outlook](#)

About the Company

New Laxmi Steel and Power Private Limited was incorporated in September 2007 by the Odisha-based Mr. Pawan Kumar Gupta and Mr. Rahul Agarwal and started the operations in 2009. The company manufactures thermo mechanically treated (TMT) bars, billets and



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galvanized steel structural products. The manufacturing facility of the company is located at Khorda, Odisha, and has a production capacity of 29,700 MT per annum for billets and 1,44,000 MTPA for TMT bars. The company also has a galvanizing unit with an installed capacity of 29,000 MTPA. Additionally, the company also runs a sponge iron unit at Jajpur district in Odisha with an installed capacity of 102,200 MTPA.

The company is promoted by Mr. Pawan Kumar Gupta and Mr. Rahul Agarwal. Mr. Gupta and Mr. Agarwal have a long experience in the steel industry and looks after the day-to-day operations of the company. Mr. Hemant Gupta, son of Mr. Pawan Kumar Gupta joined the company in December 2018 as a director, and he looks after the office administration and management of the company.

Financials: Standalone

For the year ended* / As On	(Rs. crore)	
	31-03-2021	31-03-2022
	Audited	Provsional
Total Operating Income	221.94	299.73
EBITDA	15.19	18.37
PAT	5.98	9.71
Total Debt	46.73	77.32
Tangible Net worth	33.48	43.18
Adjusted Tangible Net worth	33.48	43.18
EBITDA Margin (%)	6.85	6.13
PAT Margin (%)	2.69	3.24
Overall Gearing Ratio (x)	1.40	1.79
Interest Coverage Ratio (x)	3.18	5.13

**Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA:

India Ratings continues to maintain the rating of New Laxmi Steel and Power Private Limited in the Issuer Non-Cooperating category as the company did not co-operate in the rating procedure despite repeated follow ups as per the Press Release dated March 30, 2022.

Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2022-23)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2021-22 July 22, 2021	Date(s) & Rating(s) assigned in 2020-21	Date(s) & Rating(s) assigned in 2019-20
1.	Working Capital Demand Loan	Long Term	2.30	IVR BBB-/Stable Withdrawn	IVR BBB-/Stable	-	-
2.	Guaranteed Emergency Credit Line	Long Term	6.19	IVR BBB-/Stable Withdrawn	IVR BBB-/Stable	-	-
3.	Cash Credit – 1	Long Term	23.00	IVR BBB-/Stable Withdrawn	IVR BBB-/Stable	-	-
4.	Cash Credit – 2	Long Term	25.00	IVR BBB-/Stable Withdrawn	IVR BBB-/Stable	-	-

Name and Contact Details of the Rating Analyst:

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About Infomerics:

Infomerics was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

For more information visit www.infomerics.com



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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
Working Capital Demand Loan	-	-	FY 2023	2.30	IVR BBB-/ Stable Withdrawn
Guaranteed Emergency Credit Line	-	-	FY 2025	6.19	IVR BBB-/ Stable Withdrawn
Cash Credit -1	-	-	-	23.00	IVR BBB-/ Stable Withdrawn
Cash Credit - 2	-	-	-	25.00	IVR BBB-/ Stable Withdrawn

Annexure 2: List of companies considered for consolidated analysis: Not Applicable.

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-New-LaxmiSteel-july22.pdf>

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.