

November 15, 2024

Luxor Writing Instruments Pvt. Ltd.: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term fund-based – Term loan	20.40	20.40	[ICRA]BB+ (Stable); Withdrawn
Long-term fund-based – Cash credit	37.50	37.50	[ICRA]BB+ (Stable); Withdrawn
Long-term non-fund based	17.50	17.50	[ICRA]BB+ (Stable); Withdrawn
Total	75.40	75.40	

*Instrument details are provided in Annexure-I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Luxor Writing Instruments Pvt. Ltd., at the request of the company and based on the No Objection Certificate received from its lender, in accordance with ICRA's policy on withdrawal of credit ratings. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The key rating drivers and their description, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here.](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on withdrawal of Credit Ratings
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has taken a consolidated view of LIPL and LWIPL, given the common management and promoters, strong business and financial linkages and cash flow fungibility. ICRA has considered the consolidated financials of LWIPL and LIPL.

About the company

The Luxor Group, comprising Luxor Writing Instruments Pvt. Ltd. (LWIPL) and Luxor International Pvt. Ltd. (LIPL), was formed in 1963 for manufacturing writing instruments. The Group was founded by the Late D.K. Jain and is currently managed and controlled by the Jain family (led by Mrs. Usha Jain and Ms. Pooja Jain). The Group manufactures writing instruments under its own brand – Luxor. Its manufacturing facilities are in Haridwar, Udyog Vihar and Noida.

LIPL, incorporated in 1980, exports writing instruments and undertakes contract manufacturing for various brands across the world. LWIPL, incorporated in 1996, manufactures writing instruments under the brand name, Luxor, having exclusive manufacturing and distribution rights in India, for writing instruments for other brands including Parker and Waterman.

Key financial indicators (audited)

Consolidated	FY2022	FY2023
Operating income	525.7	704.1
PAT	-3.1	9.8
OPBDIT/OI	3.5%	6.3%
PAT/OI	-0.6%	1.4%
Total outside liabilities/Tangible net worth (times)	2.0	1.7
Total debt/OPBDIT (times)	8.1	2.9
Interest coverage (times)	1.2	2.8

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes, and amortisation; Amount in Rs. crore

Source: Company; ICRA Research

Status of non-cooperation with previous CRA:

CRA	Status	Date of Release
CRISIL Ratings Limited	CRISIL B+/Stable (ISSUER NOT COOPERATING)	September 13, 2023

Source: CRISIL Data

Any other information: None

Rating history for past three years

Instrument	Current (FY2025)				Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	FY2025		FY2024		FY2023		FY2022	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Term loan	Long Term	20.40	15-Nov-24	[ICRA]BB+ (Stable); Withdrawn	29-Sept-23	[ICRA]BB+ (Stable)	21-Jun-22	[ICRA]BB (Stable)	31-Jan-22	[ICRA]BB (Stable); ISSUER NOT COOPERATING
Fund-based-Cash credit	Long Term	37.50	15-Nov-24	[ICRA]BB+ (Stable); Withdrawn	29-Sept-23	[ICRA]BB+ (Stable)	21-Jun-22	[ICRA]BB (Stable)	31-Jan-22	[ICRA]BB (Stable); ISSUER NOT COOPERATING
Non-fund based	Long Term	17.50	15-Nov-24	[ICRA]BB+ (Stable); Withdrawn	29-Sept-23	[ICRA]BB+ (Stable)	21-Jun-22	[ICRA]BB (Stable)	31-Jan-22	[ICRA]BB (Stable); ISSUER NOT COOPERATING

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based – Term loan	Simple
Long-term fund-based – Cash credit	Simple
Long-term non-fund based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	October 2017	9.25%	FY2023-26	20.40	[ICRA]BB+ (Stable); Withdrawn
NA	Cash credit	NA	NA	NA	37.50	[ICRA]BB+ (Stable); Withdrawn
NA	Bank guarantee/ Letter of credit	NA	NA	NA	17.50	[ICRA]BB+ (Stable); Withdrawn

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company Name	LWIPL Ownership	Consolidation Approach
Luxor Writing Instruments Pvt. Ltd.	Rated entity	Full Consolidation
Luxor International Pvt. Ltd.	^	Full Consolidation

^owned by promoters of LWIPL

ANALYST CONTACTS

Ashish Modani

+91 89 8389 2332

ashish.modani@icraindia.com

Anupama Reddy

+91 40 6939 6427

anupama.reddy@icraindia.com

Sweta Shroff

+91 124 454 5307

sweta.shroff@icraindia.com

Lokesh Patni

+91 124 454 5327

lokesh.patni@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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