

May 17, 2019

Lumino Industries Limited: BLR Ratings withdrawn; Issuer rating put on notice of withdrawal for a period of 1 month

Summary of rating action

Instrument*	Previous Rated Amount(Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based facilities - Cash Credit	55.53	0.00	[ICRA]A-(Positive) withdrawn
Fund-based facilities – Bills discounting under letter of credit	59.47	0.00	[ICRA]A-(Positive) withdrawn
Non-fund based facilities – Letter of Credit	65.00	0.00	[ICRA]A2+ withdrawn
Non-fund based facilities – Bank Guarantee	270.00	0.00	[ICRA]A2+ withdrawn
Issuer Rating	-	-	[ICRA]A-(Positive); Put on Notice of Withdrawal for a period of 1 month
Total	450.00	0.00	

*Instrument details are provided in Annexure-1

Rationale

The bank loan ratings for Lumino Industries Limited (LIL) has been withdrawn at the request of the company and no objection certificate received from the lenders. Additionally, the issuer rating outstanding on LIL has been put on notice of withdrawal for a period of one month and ICRA will withdraw the ratings at the end of the withdrawal notice period. This is in accordance with ICRA's policy on withdrawal and suspension of credit ratings.

Outlook: Not Applicable

Key rating drivers

Not applicable

Liquidity Position:

Not applicable

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

LIL was set up as a partnership firm in 1989 and was incorporated as a company in 2005. It manufactures conductors and cables including all aluminium conductors (AAC), all alloy aluminium conductors (AAAC), aluminium conductors steel reinforced (ACSR) and aerial bunched cables (ABC) at its manufacturing facility in Howrah. It also undertakes rural electrification projects in Bihar and West Bengal under various GoI schemes.

In FY2018, the company reported a net profit of Rs. 45.54 crore on an operating income of Rs. 524.24 crore compared to a net profit of Rs. 22.94 crore on an operating income of Rs. 368.48 crore in the previous year.

Key financial indicators (audited)

	FY2017	FY2018
Operating Income (Rs. crore)	368.5	524.3
PAT (Rs. crore)	22.9	45.5
OPBDIT/OI (%)	11.1%	14.8%
RoCE (%)	25.9%	35.0%
Total Debt/TNW (times)	0.3	0.4
Total Debt/OPBDIT (times)	1.0	0.9
Interest coverage (times)	3.2	6.7

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

Instrument	Current Rating (FY2020)				Chronology of Rating History for the Past 3 Years			
	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in FY2019		Date & Rating in FY2018	Date & Rating in FY2017
				May 2019	October 2018	August 2018	Nov 2017	
1 Issuer rating	Long term	-		[ICRA]A- (Positive) put on Notice of Withdrawal for a period of 1 month	[ICRA]A- (Positive)	[ICRA]A- (Positive)	[ICRA]A- (Stable)	-
2 Fund based facilities – Cash Credit	Long term	0.0		[ICRA]A- (Positive) withdrawn	[ICRA]A- (Positive)	[ICRA]A- (Positive)	[ICRA]A- (Stable)	-
3 Fund based facilities – Bills Discounting under Letter of Credit	Long term	0.0		[ICRA]A- (Positive) withdrawn	[ICRA]A- (Positive)	[ICRA]A- (Positive)	[ICRA]A- (Stable)	-
4 Non-fund based facilities – Letter of Credit	Short term	0.0		[ICRA]A2+ withdrawn	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	-
5 Non- fund based facilities – Bank Guarantee	Short term	0.0		[ICRA]A2+ withdrawn	[ICRA]A2+	[ICRA]A2+	[ICRA]A2+	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
	Issuer rating	-	-	-	-	[ICRA]A-(Positive) put on Notice of withdrawal for a period of 1 month
	Fund based facilities – Cash Credit	-	-	-	0.0	[ICRA]A-(Positive) withdrawn
	Fund based facilities – Bills Discounting under Letter of Credit	-	-	-	0.0	[ICRA]A-(Positive) withdrawn
	Non-fund based facilities – Letter of Credit	-	-	-	0.0	[ICRA]A2+ withdrawn
	Non- fund based facilities – Bank Guarantee	-	-	-	0.0	[ICRA]A2+ withdrawn

Source: Lumino Industries Ltd.

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