

January 23, 2020

Luxor International Pvt. Ltd.: Moved to Non-Cooperating category, Rating downgraded based on best available information

Summary of Rated Instrument:

| Instrument | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|------------------------------------|-----------------------------------|----------------------------------|---|
| Long-term Fund-based – Cash Credit | 40.0 | 40.0 | [ICRA]BB+ (Stable), ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and moved to the 'Issuer Not Cooperating' category |
| Long-term Fund-based – Term Loan | 23.0 | 23.0 | [ICRA]BB+ (Stable), ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and moved to the 'Issuer Not Cooperating' category |
| Long-term non-fund based | 2.0 | 2.0 | [ICRA]BB+ (Stable), ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and moved to the 'Issuer Not Cooperating' category |
| Total | 65.00 | 65.00 | |

*Issuer did not co-operate; based on best available information.

^Instruments details are provided in Annexure – 1.

Rationale

The rating downgrade is on account of lack of adequate information regarding Luxor International Pvt. Ltd. (LIPL) performance and hence the uncertainty around its credit risk. The rating is based on limited information on the entity's performance since the time it was last rated in July 2018. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Luxor International Pvt. Ltd., ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained largely non-cooperative on most of the required information. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click Here](#)

About the company:

Luxor Writing Instruments Pvt. Ltd. (LWIPL) was formed in 1996 by late Mr. D.K. Jain for manufacturing writing instruments under the brand name, Luxor. It also has the exclusive manufacturing and distribution rights in India for writing instruments for other brands including Parker, Waterman and Pilot. The manufacturing facilities of the LWIPL are located in Haridwar, Gurgaon and Noida.

Luxor International Pvt. Ltd. (LIPL) was formed in 1980 and has a similar operational profile to LWIPL. It is primarily involved in export markets and undertakes contract manufacturing for various brands across the world.

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable Rating Methodologies | Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology |
| Parent/Group Support | Not Applicable |
| Consolidation / Standalone | Consolidated |

Key financial indicators: (Standalone)

| | FY2018 | FY2019 |
|--|--------|--------|
| Operating Income (Rs. crore) | 162.83 | 195.28 |
| PAT (Rs. crore) | 3.78 | 3.64 |
| OPBDIT/OI (%) | 6.11% | 10.15% |
| RoCE (%) | 11.72% | 18.36% |
| Total Outside Liabilities/Tangible Net Worth (times) | 3.36 | 2.83 |
| Total Debt/OPBDIT (times) | 5.86 | 2.77 |
| Interest Coverage (times) | 1.64 | 1.75 |
| DSCR | 0.92 | 1.05 |

Rating history for past three years

All figures in Rs. Crore

| | Instrument | Rating (FY2020) | | | | Rating History for the Past 3 Years |
|---|----------------|-----------------|--------------|--------------------|--|-------------------------------------|
| | | Type | Amount Rated | Amount Outstanding | Current Rating | Date & Rating |
| | | | | | 23 January 2020 | |
| 1 | Cash Credit | Long-term | 40.0 | 39.99 | [ICRA]BB+ (Stable) ISSUER NOT COOPERATING | [ICRA]BBB (Stable) |
| 2 | Term Loan | Long-term | 23.0 | 23.0 | [ICRA]BB+ (Stable) ISSUER NOT COOPERATING | [ICRA]BBB (Stable) |
| 3 | Non-fund based | Long-term | 2.0 | 2.0 | [ICRA]BB+ (Stable) ISSUER NOT COOPERATING | [ICRA]BBB (Stable) |

Annexure-1: Instrument Details

| ISIN No | Instrument | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|---------|-------------------------------------|-----------------------------|-------------|---------------|--------------------------|--|
| NA | Cash Credit | Sep 11, 2017 | 6.5% | NA | 40.0 | [ICRA]BB+ (Stable) ISSUER NOT COOPERATING |
| NA | Term Loan 1 | Sep 11, 2017 | NA | March 2022 | 12.00 | [ICRA]BB+ (Stable) ISSUER NOT COOPERATING |
| NA | Term Loan 2 | Sep 11, 2017 | NA | March 2025 | 11.00 | [ICRA]BB+ (Stable) ISSUER NOT COOPERATING |
| NA | Bank Guarantee/ Letter of Credit | - | 0.5% | NA | 2.00 | [ICRA]BB+ (Stable) ISSUER NOT COOPERATING |

Annexure-2: List of entities considered for consolidated analysis

| Company Name | Ownership | Consolidation Approach |
|-------------------------------------|-----------|------------------------|
| Luxor Writing Instruments Pvt. Ltd. | - | Full Consolidation |

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About ICRA Limited:

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