

September 19, 2024

Lakshmi Vacuum Heat Treaters Pvt Ltd: Rating removed from Issuer Non-Cooperating Category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long term – Fund based-Term loan	18.88	18.88	[ICRA]BB-(Stable);removed from Issuer Not Co-operating category
Long term - Fund based - Cash credit	2.00	2.00	[ICRA]BB-(Stable); removed from Issuer Not Co-operating category
Long term - Unallocated limits	2.85	2.85	[ICRA]BB-(Stable); removed from Issuer Not Co-operating category
Total	23.73	23.73	

*Instrument details are provided in Annexure-I

Rationale

ICRA has removed its earlier rating of “[ICRA]BB+(Stable); ISSUER NOT COOPERATING” for bank facilities of Lakshmi Vacuum Heat Treaters Private Limited from the ‘ISSUER NOTCOOPERATING’ Category as the company has now started cooperating based on fee. The company’s rating was moved to the ‘ISSUER NOT COOPERATING’ category in July 2024. The rating is now denoted as [ICRA]BB-(Stable).

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here](#).

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on LVHTPL’s standalone financial statements.

About the company

The Lakshmi Group was established in 2003. Mr. L N Prasad, the Group Managing Director, started Lakshmi Vacuum Heat Treaters as a proprietorship concern in 2003 in Bengaluru. Lakshmi Vacuum Technologies was formed in 2007 in Bengaluru to manufacture furnaces. Lakshmi Vacuum Heat Treaters Limited (LVHPL) is involved in providing vacuum heat treatment services used to carry out processes such as hardening and tempering, annealing & stress relieving, brazing, sintering, nitriding, etc. LVHPL procures the vacuum furnaces from its sister concern - Lakshmi Vacuum Technologies Private Limited (LVTPL) - which is then used for the heat treatment process in the heat treatment division. The heat treatment is used for auto components, hardware tools and metal parts, etc. After the heat treatment process, the components are used by various industries as per their applications. LVHPL has five heat treatment plants across the country.

Key financial indicators (audited)

LVHTPL Standalone	FY2022	FY2023	9M FY2024*
Operating income	23.99	29.64	24.43
PAT	1.02	1.23	0.79
OPBDIT/OI	19.8%	20.5%	26.5%
PAT/OI	4.2%	4.1%	3.3%
Total outside liabilities/Tangible net worth (times)	2.07	2.65	2.53
Total debt/OPBDIT (times)	3.64	3.10	2.81
Interest coverage (times)	3.53	3.21	4.13

Source: Company, ICRA Research; * Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. Crore;

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA

	Ratings	Date
CARE Ratings	CARE B- Stable; ISSUER NOT COOPERATING	September 11, 2024

Any other information: None

Rating history for past three years

Instrument	Type	Amount Rated (Rs Crore)	Chronology of rating history for the past 3 years								
			Current (FY2025)			FY2024		FY2023		FY2022	
			Sep 19, 2024	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash Credit	Long Term	2.00	[ICRA]BB-(Stable)	July 11, 2024	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	-	-	Jan 19, 2023	[ICRA]B+(Stable)	-	-
				Apr 30, 2024	[ICRA]BB-(Stable)						
Fund-based-Term loan	Long Term	18.88	[ICRA]BB-(Stable)	July 11, 2024	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	-	-	Jan 19, 2023	[ICRA]B+(Stable)	-	-
				Apr 30, 2024	[ICRA]BB-(Stable)						
Unallocated	Long Term	2.85	[ICRA]BB-(Stable)	July 11, 2024	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	-	-	Jan 19, 2023	[ICRA]B+(Stable)	-	-
				Apr 30, 2024	[ICRA]BB-(Stable)						

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund based - Cash credit	Simple
Long Term – Fund Based - Term loan	Simple
Long Term - Unallocated	NA

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
-	Fund-based Cash credit	NA	NA	NA	2.00	[ICRA]BB-(Stable)
-	Fund-based - Term loan	Nov 2019	NA	Jan 2027	18.88	[ICRA]BB-(Stable)
-	Unallocated	NA	NA	NA	2.85	[ICRA]BB-(Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis- Not Applicable

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