

October 28, 2025

Lakshmi Vacuum Technologies Pvt. Ltd.: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash Credit	10.00	22.00	[ICRA]BB- (Stable); Reaffirmed
Short-term – Fund-based – Standby line of credit	3.40	-	-
Long-term – Fund-based – Term Loan	4.65	0.75	[ICRA]BB- (Stable); Reaffirmed
Short-term – Non-fund based	16.50	-	-
Long-term – Unallocated limits	0.43	-	-
Long-term/Short-term – Unallocated limits	-	12.23	[ICRA]BB-(Stable)/[ICRA]A4; Reaffirmed
Total	34.98	34.98	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation factors in the steady increase in revenues and earnings of Lakshmi Vacuum Technologies Pvt. Ltd. (LVTP/Lthe company) and its operations spanning over two decades in the vacuum furnace manufacturing as well as its established relationships with reputed customers. The rating continues to factor in the extensive experience of the promoters in vacuum furnace manufacturing and related activities. ICRA takes into consideration LVTP/L's capacity expansion to cater to the healthy demand from end-user industries such as automobile, engineering, and aerospace, which should support its revenue growth, going forward.

The ratings are, however, constrained by the company's small scale of operations and its average financial risk profile, marked by moderately leveraged capital structure and modest debt protection metrics. The ratings are also constrained by the high working capital intensity of operations (NWC/OI of around 92% in FY2025), resulting from high inventory holding requirements and receivable days. Moreover, the overall liquidity position of the company remains stretched as reflected in the high utilisation of its working capital limits.

The Stable outlook on the rating reflects ICRA's opinion that LVTP/L's will continue to benefit from the extensive experience of its promoters in the furnace manufacturing business and the repeat orders to support its revenues growth, going forward.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in vacuum Furnace manufacturing – LVTP/L was established in 2007 for manufacturing vacuum furnaces for various industries. The promoters, Mr. LN Prasad and Ms. KS Varalakshmi, have more than two decades of experience in the vacuum furnace industry.

Reputed customer profile – LVTP/L has reputed clients, including industry majors from the automobile, defense and engineering sectors. Its reputed clientele reduces the counterparty risk to a large extent. Further, the company had an order book position of Rs. 42 crore as of September 2025, providing near-term revenue visibility.

Credit challenges

Small scale of operations – LVTP's scale of operations has remained small, with revenues ranging at Rs. 30-45 crore over the past four fiscals. The company reported revenue of Rs. 44.6 in FY2025, a moderate growth of about 3.8% over the previous year. Further, it derives a major portion of its revenues from the automobile industry, underscoring the risk of demand volatility.

High working capital intensity of operations – LVTP's working capital intensity of operations increased substantially in FY2025, reflected in NWC/OI of 92% in FY2025, an increase from around 63% in FY2024. The receivable and inventory cycle remained elevated, driven by lumpiness of the revenue recognition in the last quarter of the fiscal. The high working capital requirements have kept LVTP's liquidity under pressure, reflected in high utilisation of the fund-based working capital facility.

Average financial profile characterised by moderate debt coverage indicators – LVTP's financial risk profile remains average, marked by a small net worth base (Rs. 18.7 crore as on March 31, 2025) and moderately leveraged capital structure. The coverage indicators remained modest with interest coverage of 2.0 times, total debt/OPBITDA of 3.5 times and NCA/TD of 11.7% in FY2025. The company's financial profile is likely to remain stable in the medium term.

Vulnerability of profitability to adverse fluctuations in raw material prices – LVTP's profitability remains exposed to the fluctuations in raw material (mainly steel and copper) prices. The company's profit margins are exposed to raw material price fluctuations, due to its limited ability to pass on any upward movement in prices to its customers owing to the fixed-price nature of its contracts.

Liquidity position: Stretched

LVTP's liquidity is stretched with low free cash and bank balance of Rs. 2.0 crore as on March 31, 2025. The company has low buffer in working capital limits with average utilisation of 92% in the past 12 months ending in August 2025. The company has repayment obligations of Rs. 0.24 crore in FY2026, which is likely to be met from the cash generation from business. The company has no major capex plans in the near term.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the company demonstrates any sustained improvement in its scale and earnings while maintaining healthy profitability margins, which will improve the key credit metrics and liquidity position.

Negative factors – Pressure on the ratings could arise if there is any significant decline in revenue or earnings, resulting in the weakening of key credit metrics. Any large debt-funded capex, resulting in liquidity pressure, may also lead to a rating downgrade.

Analytical approach

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

About the company

The Lakshmi Group commenced operations from 2003. LVTPL, formed in 2007 in Bengaluru, has been involved in the manufacturing of industrial vacuum furnaces. The company's customers mainly belong to the automobile, engineering, aerospace, tooling, mining and research, electrical, defence, and other allied engineering industries. Vacuum furnaces are required for hardening, tempering, annealing, stress-relieving, brazing and sintering applications. The company also provides technical services relating to the installation of vacuum furnaces. An industrial vacuum furnace is a sealed chamber used for heat-treating materials in a controlled, oxygen-free environment to prevent oxidation and contamination.

Key financial indicators

LVTPL Standalone	FY2024	FY2025*
Operating income	43.0	44.6
PAT	2.7	2.8
OPBDIT/OI	18.4%	19.0%
PAT/OI	6.4%	6.4%
Total outside liabilities/Tangible net worth (times)	2.5	2.2
Total debt/OPBDIT (times)	3.1	3.5
Interest coverage (times)	2.0	2.0

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisional financial statements submitted by management

Status of non-cooperation with previous CRA

	Ratings	Date
CARE Ratings	CARE B- Stable/A4; ISSUER NOT COOPERATING	October 16, 2025

Any other information: None

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	Oct 28, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash Credit	Long Term	22.00	[ICRA]BB-(Stable)	April 30, 2024	[ICRA]BB-(Stable)	-	-	Jan 19, 2023	[ICRA]BB-(Stable)
				July 11, 2024	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	-	-	-	-
				Sep 19, 2024	[ICRA]BB-(Stable)	-	-	-	-
Fund-based-Term loan	Long Term	0.75	[ICRA]BB-(Stable)	April 30, 2024	[ICRA]BB-(Stable)	-	-	Jan 19, 2023	[ICRA]BB-(Stable)
				July 11, 2024	[ICRA]BB-(Stable); ISSUER NOT COOPERATING	-	-	-	-
				Sep 19, 2024	[ICRA]BB-(Stable)	-	-	-	-
Unallocated	Long Term/Short term	12.23	[ICRA]BB-(Stable)/[ICRA]A4	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term - Fund Based-Cash Credit	Simple
Long term - Fund Based-Term loan	Simple
Short Term - Fund Based-Standby line of credit	Very simple
Short Term Non-Fund Based -BG/ LC	Very simple
Long term-Unallocated	NA
Long term/Short 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	22.00	[ICRA]BB-(Stable)
-	Fund-based – Term loan	March 2019	NA	FY2026	0.75	[ICRA]BB-(Stable)
-	Unallocated	NA	NA	NA	12.23	[ICRA]BB-(Stable)/[ICRA]A4

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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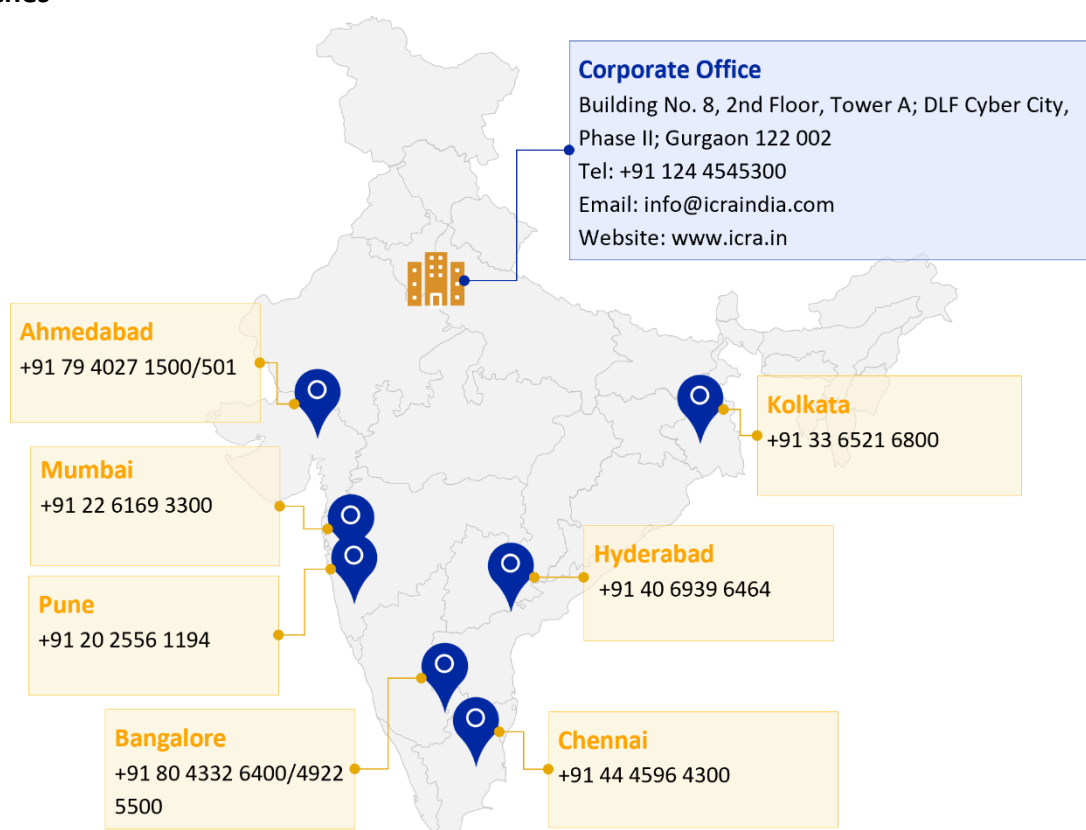
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