



Press Release

LAKSHANYA VENTURES PRIVATE LIMITED (ERSTWHILE - ENCARTA PHARMA PRIVATE LIMITED)

September 21, 2023

Rating Assigned and downgraded

Product	Amt(cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.50	ACUITE C Assigned	-
Bank Loan Ratings	0.06	ACUITE C Downgraded	-
Bank Loan Ratings	39.50	ACUITE D Assigned	-
Bank Loan Ratings	25.19	ACUITE D Downgraded	-
Bank Loan Ratings	12.50	-	ACUITE D Downgraded
Total Outstanding Quantum (Rs. Cr)	77.75	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE D (read as ACUITE D)**' from '**ACUITE B+ (read as ACUITE B Plus)**' and downgraded its short term rating to '**ACUITE D (Read as Acuite D)**' from '**ACUITE A4 (read as ACUITE A four)**' on the Rs.37.69 crore bank facilities of Lakshanya ventures private limited (Erstwhile Encarta Pharma Private Limited) (LVPL).

Acuite has downgraded its long-term rating to '**ACUITE C (read as ACUITE C)**' from '**ACUITE B+ (read as ACUITE B Plus)**' on the Rs.0.06 crore bank facilities of Lakshanya ventures private limited (Erstwhile Encarta Pharma Private Limited) (LVPL).

Acuite has assigned its long-term rating of '**ACUITE D (read as ACUITE D)**' on the Rs.39.50 crore bank facilities of Lakshanya ventures private limited (Erstwhile Encarta Pharma Private Limited) (LVPL).

Acuite has assigned its long-term rating of '**ACUITE C (read as ACUITE C)**' on the Rs.0.50 crore bank facilities of Lakshanya ventures private limited (Erstwhile Encarta Pharma Private Limited) (LVPL).

The rating is downgraded and assigned on account of recent delays in servicing of debt obligations by LVPL as confirmed by its respective banker. The rating continues to draw comfort from the experienced management and established track record of operations.

About the Company

LAKSHANYA VENTURES PRIVATE LIMITED , a Bangalore-based company was incorporated in 2001. Founded by Mr. Keerthan P, Mr. Ganesh R. Nayak and Mr. Girish M, the company is engaged in Cardiac & Endovascular Implants, ICU & OT Equipment's and Ophthalmology products. The present directors of the company are Mr. Ganesh R. Nayak, Mr. Girish Maheswarappa, Mr. Sharath S. Shetty and Mr. Pichamutal K. Premsagar.

Analytical Approach

Acuité has considered the standalone business and financial risk profile of LVPL to arrive at the rating

Key Rating Drivers

Strengths

- **Experienced management and diversified product portfolio**

LVPL promoters possess over two decades of experience in the medical equipment trading business. The company benefits from established relationships with Hospital and Medical equipment OEMs. The product portfolio contains Cardiac & Endovascular Implants, ICU & OT Equipment and Ophthalmology products. Acuité believes that the market potential, healthy and reputed client base and diversified product portfolio of LVPL are expected to support in improvement of business risk profile over the medium term

Weaknesses

- **Delay in servicing of debt obligations**

LVPL has delayed in the repayment of the term loan facilities in the month of July 2023, June 2023, February 2023, January 2023 as per the banker confirmation.

Rating Sensitivities

Regular servicing of debt obligations

All Covenants

None

Liquidity Position: Poor

The liquidity position of the company is marked poor on account of recent past instances of delays in servicing of debt obligation.

Outlook: Not applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	435.00	413.27
PAT	Rs. Cr.	48.06	28.42
PAT Margin	(%)	11.05	6.88
Total Debt/Tangible Net Worth	Times	0.66	0.47
PBDIT/Interest	Times	11.01	11.46

Status of non-cooperation with previous CRA (if applicable)

ICRA vide its press release dated 20th March 2023, had rated the company to ICRA D; Issuer Not Cooperating.

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entitle: <https://www.acuite.in/view-rating-criteria-61.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
09 Aug 2023	Bank Guarantee	Short Term	7.75	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	20.00	ACUITE B+ (Issuer not co-operating*)
	Letter of Credit	Short Term	4.75	ACUITE A4 (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	5.25	ACUITE A4 (Issuer not co-operating*)
12 May 2022	Proposed Bank Guarantee	Short Term	5.25	ACUITE A4 (Issuer not co-operating*)
	Letter of Credit	Short Term	4.75	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	20.00	ACUITE B+ (Issuer not co-operating*)
	Bank Guarantee	Short Term	7.75	ACUITE A4 (Issuer not co-operating*)
28 May 2020	Bank Guarantee	Short Term	7.75	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	4.75	ACUITE A4 (Reaffirmed)
	Proposed Working Capital Demand Loan	Long Term	5.00	ACUITE B+ (Withdrawn)
	Term Loan	Long Term	0.15	ACUITE B+ (Withdrawn)
	Cash Credit	Long Term	20.00	ACUITE B+ Stable (Upgraded from ACUITE B-)
	Proposed Bank Guarantee	Short Term	5.25	ACUITE A4 (Reaffirmed)
23 Mar 2020	Bank Guarantee	Short Term	7.75	ACUITE A4 (Issuer not co-operating*)
	Letter of Credit	Short Term	4.75	ACUITE A4 (Issuer not co-operating*)
	Term Loan	Long Term	0.15	ACUITE B- (Issuer not co-operating*)
	Proposed Bank Guarantee	Short Term	0.10	ACUITE A4 (Issuer not co-operating*)
	Cash Credit	Long Term	20.00	ACUITE B- (Issuer not co-operating*)
	Working Capital Demand Loan	Long Term	5.00	ACUITE B- (Issuer not co-operating*)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee (BLR)	Not Applicable	Not Applicable	Not Applicable	Simple	7.75	ACUITE D Downgraded
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE D Downgraded
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	4.75	ACUITE D Downgraded
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	0.06	ACUITE C Downgraded
Not Applicable	Not Applicable	Proposed Long Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	0.50	ACUITE C Assigned
State Bank of India	Not Applicable	Stand By Line of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	3.00	ACUITE D Assigned
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	2.85	ACUITE D Downgraded
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	0.63	ACUITE D Downgraded
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	36.50	ACUITE D Assigned
State Bank of India	Not Applicable	Working Capital Term Loan	Not available	Not available	Not available	Simple	1.71	ACUITE D Downgraded

Contacts

Analytical	Rating Desk
Moparthy Anuradha Devi Analyst-Rating Operations Tel: 022-49294065 moparthy.anuradha@acuited.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuited.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuited.in) for the latest information on any instrument rated by Acuité.