

Navitas LLP

March 13, 2024

Facilities/Instruments	Amount (₹ crore)	Rating	Rating Action
Long Term Bank Facilities	15.00	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	12.00	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Navitas LLP (Navitas) to monitor the ratings vide e-mail communications dated February 26, 2024, February 28, 2024, March 04, 2024, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which, however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on Navita's bank facilities will now be denoted as **CARE D/CARE D; ISSUER NOT COOPERATING***. **Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of Navitas are constrained due to delay of debt servicing in the bank facilities and poor liquidity position of the company.

Analytical approach: Combined.

CARE Ratings has combined the standalone financials of Navitas and consolidated financials of Ecron Acunova Limited and factors in linkages with TAKE group.

Detailed description of the key rating drivers:

At the time of last rating on September 06, 2023, the following were the rating strengths and weaknesses (updated for the FY23(A) information available from Registrar of Companies (RoC))

Key weaknesses

Delays in debt servicing:

The liquidity position of the group has been poor with reduced operations. And thereby, resulting in delays in debt servicing. There were delays in its interest payments for the working capital limits and debt repayments of GECL.

Reduced operations due to sale of its major subsidiary:

During May 2022, TAKE's major subsidiary TAKE Solutions Global Holdings Pte Ltd (Singapore) (TAKE Ghapte) had been sold to HIG as a part of enforced sale following the lenders of TAKE Ghapte initiating action on disposal of shares of TSL in Take Ghapte in view of continuing default on loan obligations. The enforced sale has resulted in disinvestment of 100% shareholding of TAKE Solutions in TAKE Ghapte. The divestment of TAKE Ghapte also restricted TAKE group in undertaking full-fledged clinical trials and accordingly the core Clinical Research business is no longer a portfolio in TAKE Solutions. The business that is remaining in the TAKE group is the Bio Availability & Bio Equivalence studies and a limited amount of health tech business. With this as the base, the group has to rebuild the business to scale. For FY23 (refers to the period April 01 to March 31), the company on a standalone basis had reported revenue of Rs. 44.29 crores with net loss of Rs. 49.75 crores as against Rs. 127.06 crore with a net loss of Rs. 5.91 crore in FY22.

Changing dynamics of global pharma industry:

The pharmaceutical industry is tightly regulated all over the world with stringent norms and regulations. Structural reforms by governments stringent regulation both in regulated and semi-regulated market, intensification of competition has led to pricing pressure impacting the profitability of the industry players. Competition and increased pricing pressure on pharma companies has resulted in cost cutting measures adopted by them to remain competitive, resulting in reduced business for the companies operating in the pharma/drug market value chain including IT service providers. This has resulted in vendor

consolidation approach adopted by pharma companies forcing tier-I/tier-II companies/service providers in the industry to move up the value chain. Pure play clinical research organizations (CRO) have also started providing IT services.

Key strengths

Long standing relationship with major pharma companies:

Clinical trials are a specialised field that requires numerous regulatory approvals, and its facilities are subject to inspection by a variety of agencies, including pharmaceutical companies and statutory organisations such as the Clinical Trial Registry, FDA, and the Drug Controller General of India. TAKE was one of the leading healthcare providers, with domain expertise and facilities that complied with all statutory regulations and were approved by large pharmaceutical companies. Despite not conducting full-fledged clinical trials, the group has strong qualification criteria, allowing it to obtain new business opportunities in Phase I trials as well as supplementary activities related to Phase II/ Phase III clinical trials. The group caters to major pharmaceutical companies in India.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Policy in respect of non-cooperation by issuers](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Information Technology	Information Technology	IT - Services	IT Enables Services

Navitas LLP (Navitas) offers IP based software and extensive knowledge-based solutions (services and products) to enable efficient clinical, regulatory, safety and commercialization processes for the pharmaceutical/bioscience industry. The company provides consultancy right from clinical trials to data management, regulatory compliance, and analytics & pharmacovigilance (viz Post-Market Safety Monitoring). Since September 2021, Ecron Acunova Limited holds about 99.9% stake in Navitas.

Standalone financials of Navitas LLP:

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	March 31, 2023(A)
Total operating income	129.22	127.06	44.29
PBILDT	19.39	13.64	-36.09
PAT	-1.31	-5.91	-49.75
Overall gearing (times)	0.38	0.79	8.03
Interest coverage (times)	5.51	4.86	NM

A: Audited; NM: Not Meaningful Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	15.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-PC/Bill Discounting		-	-	-	12.00	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
1	Fund-based - LT-Cash Credit	LT*	15.00	CARE D; ISSUER NOT COOPERATING*	1)CARE D (06-Sep-23)	1)CARE C (21-Mar-23)	1)CARE C (24-Dec-21) 2)CARE BB+ (CE) (CW with Developing Implications) (08-Dec-21) 3)CARE BB+ (CE) (CW with Positive Implications) (17-Aug-21)	1)CARE BB+ (CE); Negative (11-Feb-21) 2)CARE BB+ (CE); Negative (04-Jan-21) 3)CARE BBB (CE); Negative (24-Nov-20) 4)CARE A- (CE); Negative

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
								(10-Aug-20) 5)CARE A+ (CE); Negative (22-Jun-20) 6)CARE AA- (CE); Negative (19-May-20)
2	Fund-based - ST-PC/Bill Discounting	ST	12.00	CARE D; ISSUER NOT COOPERATING *	1)CARE D (06-Sep-23)	1)CARE A4 (21-Mar-23)	1)CARE A4 (24-Dec-21) 2)CARE A4 (CE) (04-Jan-21) 2)CARE A4 (CE) (CW with Developing Implications) (08-Dec-21) 3)CARE A4 (CE) (CW with Positive Implications) (17-Aug-21)	1)CARE A4 (CE) (11-Feb-21) 2)CARE A4 (CE) (04-Jan-21) 3)CARE A3 (CE) (24-Nov-20) 4)CARE A2 (CE) (10-Aug-20) 5)CARE A1 (CE) (22-Jun-20) 6)CARE A1+ (CE) (19-May-20)
3	Fund-based - LT/ST-Un Supported Rating	LT/ST	-	-	-	-	1)Withdrawn (24-Dec-21)	1)CARE D (11-Feb-21)

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021
							2)CARE BB / CARE A4 (CW with Developing Implications) (08-Dec-21) 3)CARE BB / CARE A4 (CW with Positive Implications) (17-Aug-21)	2)CARE D (04-Jan-21) 3)CARE BBB-; Negative / CARE A3 (24-Nov-20) 4)CARE BBB+ / CARE A2 (10-Aug-20) 5)CARE A / CARE A1 (22-Jun-20) 6)CARE A+ / CARE A1+ (19-May-20)

*Issuer did not cooperate; based on best available information.

*Long term/Short term.

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities - Not applicable

Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - ST-PC/Bill Discounting	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Annexure-6: List of all the entities consolidated – Not applicable

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754 3444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Sandeep P Director CARE Ratings Limited Phone: +91-44-2850 1002 E-mail: sandeep.prem@careedge.in Ratheesh Kumar Associate Director CARE Ratings Limited Phone: +91-44-2850 1009 E-mail: Ratheesh.Kumar@careedge.in Vishnu Raghavan R Rating Analyst CARE Ratings Limited E-mail: Vishnu.Raghavan@careedge.in
---	---

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.