



Rating Rationale

19 February 2021

ASSURGEN PHARMA PVT LTD

Brickwork Ratings has downgraded the ratings assigned to the bank loan facilities of Rs. 6.00 crore of the Assurgen Pharma Pvt Ltd based on best available information, as the company did not cooperate.

Particulars

Facilities [#]	Previous Rated Amount Rs. Crs	Present Rating Amount Rs. Crs	Tenure	Rating ¹	
				Previous Ratings [^]	Present Rating [*]
Fund Based	6.00	6.00	Long Term	BWR B/Negative Issuer Not Cooperating* Downgraded	BWR C Issuer Not Cooperating* Downgrade
Total	6.00	Rs. 6.00 Crore (Rupees Six Crores Only)			

*Issuer Not Cooperating: Based on best available information

1 Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

#Note: Details of Bank facilities are provided in Annexure I

RATING ACTION/OUTLOOK/NATURE OF NON-COOPERATION

In view of the non-availability of information and lack of cooperation from Assurgen Pharma Pvt Ltd, Brickwork Ratings has downgraded the long term rating to 'BWR C', along with continuation of the rating in the "Issuer Not Cooperating" category, based on best available information as the Issuer did not cooperate.

The lenders/investors may note to exercise due caution while using the above ratings which mentions "Issuer Not Cooperating" since the ratings lack any projections or forward looking component as it is arrived based on the best available information without any management/banker's interaction.

The rating was due for a review in February 2021. BWR took up with the company to provide required information through telephone calls and letters. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same.

In the absence of adequate information from the issuer, BWR is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, non-cooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated company arising from its non-transparency withholding of information required for a review of the rating.

About the company (as per information available in November 2018)

Assurgen Pharma Pvt Ltd (APPL) was incorporated on 10th October 2013 at Hyderabad. The factory is located at APIIC, Denotified area Lalam Koduru Village, Rambilli Mandal, Atchutapuram, Visakhapatnam. The company has started its commercial operations from 1st August, 2017. The main objective of the company is manufacturing of Bulk Drugs, which will be used in Pharmaceutical formulas for Human beings. The company is manufacturing Etoricoxib and Pantoprazole and apart from those, the company also manufactures intermediaries necessary for manufacturing of the above chemicals. R&D lab, Quality Assurance lab, Quality Control lab which assist in 24 hour manufacturing of the plant.

Key Financial Indicators

The company has not provided any financial information to BWR for the previous two fiscal

Key Covenants of the facility rated: The terms of sanction include standard covenants normally stipulated for such facilities.

Status of non-cooperation with previous CRA – Nil

RATING HISTORY FOR THE LAST THREE YEARS (Including Withdrawn/Suspended)

Sl. No	Facilities	Current Ratings (2021)			Ratings History		
		Type	Amount (Rs. Cr)	Ratings [^]	(04.02.2020)	(2019)	(18.08.2018)
1	Fund Based	Long Term	6.00	BWR C Issuer Not Cooperating* Downgrade	BWR B/Negative Issuer Not Cooperating* Downgraded	-	BWR BB-Stable Assigned
Total		Rs. 6.00 Crore (Rupees.Six Crores Only)					

Not Reviewed the outstanding rating of BWR BB-/Stable on 15th November 2019

* Issuer did not cooperate; Based on best available information

Complexity Levels of the Instruments:

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Companies](#)
- [What Constitutes Non-Cooperation](#)

For any other criteria obtain hyperlinks from website

Analytical Contacts	
Prashanth B Ratings Analyst B :+91 40 2331 0161 / 2331 0071 prashanth.b@brickworkratings.com	K Nagaraj Associate Director - Ratings B : +91 80 4040 9940 Ext :319 nagaraj.ks@brickworkratings.com
1-860-425-2742	media@brickworkratings.com

Assurgen Pharma Pvt Ltd
ANNEXURE I
Details of Bank Facilities rated BWR

Sl. No.	Type of Facilities	Long Term (Rs. Cr)	Short Term (Rs. Cr)	Total (Rs. Cr)
	Fund Based			
1	Cash Credit	4.00	-	4.00
2	Proposed Cash Credit	2.00	-	2.00
TOTAL - Rupees Fifteen Crores Only				6.00



For print and digital media The Rating Rationale is sent to you for the sole purpose of dissemination through your print, digital or electronic media. While it may be used by you acknowledging credit to BWR, please do not change the wordings in the rationale to avoid conveying a meaning different from what was intended by BWR. BWR alone has the sole right of sharing (both direct and indirect) its rationales for consideration or otherwise through any print or electronic or digital media.

About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non-convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partner. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

DISCLAIMER : Brickwork Ratings India Pvt. Ltd. (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by the Reserve Bank of India [RBI], offers credit ratings of Bank Loan facilities, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. [hereafter referred to as "Instruments"]. BWR also rates NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations.

BWR wishes to inform all persons who may come across Rating Rationales and Rating Reports provided by BWR that the ratings assigned by BWR are based on information obtained from the issuer of the instrument and other reliable sources, which in BWR's best judgement are considered reliable. The Rating Rationale / Rating Report & other rating communications are intended for the jurisdiction of India only. The reports should not be the sole or primary basis for any investment decision within the meaning of any law or regulation (including the laws and regulations applicable in Europe and also the USA).

BWR also wishes to inform that access or use of the said documents does not create a client relationship between the user and BWR.

The ratings assigned by BWR are only an expression of BWR's opinion on the entity / instrument and should not in any manner be construed as being a recommendation to either, purchase, hold or sell the instrument.

BWR also wishes to abundantly clarify that these ratings are not to be considered as an investment advice in any jurisdiction nor are they to be used as a basis for or as an alternative to independent financial advice and judgement obtained from the user's financial advisors. BWR shall not be liable to any losses incurred by the users of these Rating Rationales, Rating Reports or its contents. BWR reserves the right to vary, modify, suspend or withdraw the ratings at any time without assigning reasons for the same.

BWR's ratings reflect BWR's opinion on the day the ratings are published and are not reflective of factual circumstances that may have arisen on a later date. BWR is not obliged to update its opinion based on any public notification, in any form or format although BWR may disseminate its opinion and analysis when deemed fit.

Neither BWR nor its affiliates, third party providers, as well as the directors, officers, shareholders, employees or agents (collectively, "BWR Party") guarantee the accuracy, completeness or adequacy of the Ratings, and no BWR Party shall have any liability for any errors, omissions, or interruptions therein, regardless of the cause, or for the results obtained from the use of any part of the Rating Rationales or Rating Reports. Each BWR Party disclaims all express or implied warranties, including, but not limited to, any warranties of merchantability, suitability or fitness for a particular purpose or use. In no event shall any BWR Party be liable to any one for any direct, indirect,



incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of any part of the Rating Rationales and/or Rating Reports even if advised of the possibility of such damages. However, BWR or its associates may have other commercial transactions with the company/entity. BWR and its affiliates do not act as a fiduciary.

BWR keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of the respective activity. As a result, certain business units of BWR may have information that is not available to other BWR business units. BWR has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

BWR clarifies that it may have been paid a fee by the issuers or underwriters of the instruments, facilities, securities etc., or from obligors. BWR's public ratings and analysis are made available on its web site, www.brickworkratings.com. More detailed information may be provided for a fee. BWR's rating criteria are also generally made available without charge on BWR's website.

This disclaimer forms an integral part of the Ratings Rationales / Rating Reports or other press releases, advisories, communications issued by BWR and circulation of the ratings without this disclaimer is prohibited.

BWR is bound by the Code of Conduct for Credit Rating Agencies issued by the Securities and Exchange Board of India and is governed by the applicable regulations issued by the Securities and Exchange Board of India as amended from time to time.