

Rating Rationale

Brickwork Ratings assigns ‘BWR B+’ & ‘BWR A4’ Outlook (Stable) for the Bank Loan Facilities amounting to ₹ 33.53 Cr of Asolution Pharmaceutical Private Limited.

Brickwork Ratings has assigned **Ratings¹** for the bank loan facilities of INR 33.53 Cr (Rupees Thirty Three Crores Fifty Three Lacs only) of Asolution Pharmaceutical Private Limited as follows:

Bank Facilities	Tenure	Amount ₹ Crs	Rating
Fund Based (FB)			
Term Loan	Long Term	28.53	BWR B+ (Outlook: Stable) Pronounced as BWR B Plus
Total FB		28.53	
Non Fund Based (NFB)			
PCL/PCFC/FDBP/FDBD/FD BN/PSCFC	Short Term	4.00	BWR A4 Pronounced as BWR A Four
Cash Credit		(1.00)	
Letter of Credit		1.00	
Total NFB		5.00	
<u>Total Rated Facilities</u>		33.53	<u>INR Thirty Three Crores Fifty Three Lacs only</u>

BWR has essentially relied upon the audited financial results of FY14, FY15 and FY16 and projected Financial of FY17 and FY18, publicly available information and clarification provided by the Company’s management.

The rating has factored in vast experience of the promoters in the industry, adequate infrastructure and adequate utilization of capacity. The rating is, however, constrained by susceptibility of margins to price volatility of raw materials, concentration of revenue from one customer and low margins due to intense competition.

Background

Asolution Pharmaceuticals Pvt. Ltd. was incorporated in 2010. The manufacturing plant of the company is located at MIDC, Ambernath, Dist: Thane, Maharashtra.

The company is engaged in custom synthesis and manufacturing of specialty products for API for the international regulated markets.

Management Profile

Asolution Pharmaceuticals Pvt. Ltd. was incorporated under the guidance of Dr. Nandkumar Chodankar and Dr. Laxmi Chodankar who have more than three decades of experience in pharmaceutical industry.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Financial Performance

As per the audited financials for FY15 and FY16, the company reported NIL revenue. PAT for FY15 and FY16 was almost same at Rs. -0.07 Crs.

ISCR and DSCR at -23.25x and -0.03x respectively in FY 16.

Rating Outlook

The rating outlook is expected to be stable over the current year. Going forward, the ability of the firm to improve its scale of operations, capital structure, ensure profitability margins to timely debt servicing and manage working capital efficiently would be the key rating sensitivities.

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