

Rating Rationale

4 Feb 2020

Assurgen Pharma Pvt Ltd

Brickwork Ratings has reviewed the rating assigned to the bank loan facilities of Rs.6.00 crore of Assurgen Pharma Pvt Ltd, based on best available information, as the company did not cooperate. Accordingly the ratings for the said bank loan facilities has been downgraded long term rating to BWR B (Negative) and migrated to the Issuer Not Cooperating* category

Particulars

| Facilities | Amount (Rs. Crs) | | Tenure | Ratings ¹ | |
|---------------------------|------------------|---|-----------|-------------------------------|---|
| | Previous | Present | | Previous# | Present |
| Fund Based | | | | | |
| Open Cash Credit | 4.00 | 4.00 | Long Term | BWR BB-Stable Assigned | BWR B (Negative) Issuer Not Cooperating* Downgrade |
| Proposed Open Cash Credit | 2.00 | 2.00 | | | |
| Total | 6.00 | Rs. 6.00 Crore (Rupees Six Crore Only) | | | |

*Issuer Not Cooperating: Based on best available information

#Not Review on 15th November 2019

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

Note: Details of Bank facilities are provided in Annexure I

Long term rating downgraded and migrated to ISSUER NOT COOPERATING* category

Nature of Non-Cooperation:

The rating was due for a review in November 2019. Brickwork Ratings (BWR) took up with the company to provide required information over emails and through telephone communication. Despite the best efforts of Brickwork Ratings to get at least the minimum required information for a review, the company has not provided the same. Hence, the rating was migrated to the 'Not Reviewed' category. In the absence of adequate information from the issuer and continued lack of management cooperation, Brickwork Ratings is unable to assess the issuer's financial performance and its ability to service its debt and maintain valid ratings. The company has not been submitting NDS to BWR. Based on inadequate information and continued lack of management cooperation, Brickwork Ratings has downgraded the long term rating to 'BWR B'



(Negative) from BWR BB- (Stable) and simultaneously migrated to the Issuer Not Cooperating* category.

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 entity arising from its non-transparency withholding of information required for a review of the rating.

About company

Assurgen Pharma Pvt Ltd (APPI) 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. Assurgen Pharma Private Limited has obtained a Drug license which would enable it to export to 50 countries in the world.

Mr. Kukalakunta Nagendra Rao is the managing director of the company.

No financial information has been submitted to BWR over the last one year

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 – NA

Rating History for the last three years

| Sl. No. | Facilities | Current Rating (2020) | | | Rating History | | | |
|--------------|----------------------|--|-----------------|---|--|--|------|------|
| | | Type | Amount (Rs. Cr) | Rating | (15 th Nov 2019) [#] | (14 th Nov 2018) ¹ | 2017 | 2016 |
| 1 | Open Cash Credit | Long Term | 4.00 | BWR B (Negative) Issuer Not Cooperating* Downgrade | BWR BB- (Stable) Not Reviewed | BWR BB- (Stable) Assigned | - | - |
| 2 | Proposed Cash Credit | | 2.00 | | | | | |
| Total | | Rs. 6.00 Crore (Rupees. Six Crore Only) | | | | | | |

¹ Rated amount: Rs. 6.00 crore

Not Review on 15th November 2019 for the bank loan facilities of Rs.6.00 Crs.

* Issuer did not cooperate; Based on best available information

Complexity Levels of the Instruments:

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

Hyperlink/Reference to applicable Criteria

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

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Assurgen Pharma Pvt Ltd

Annexure I: Details of Bank Facilities rated

| Sl. No. | Name of the Bank | Type of Facilities | Long Term (Rs. Cr) | Total (Rs. Cr) |
|---------------------------------------|--------------------|---------------------------|--------------------|----------------|
| 1. | Andhra Bank | Open Cash Credit | 4.00 | 4.00 |
| | | Proposed Open Cash Credit | 2.00 | 2.00 |
| TOTAL - Rupees Six Crores Only | | | | 6.00 |

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About Brickwork Ratings :Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a leading public sector bank, as its promoter 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.

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