

## Rating Rationale

30 Apr 2020

### Axa Parenterals Limited

**Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹36.37 Crs of Axa Parenterals Limited based on the best available information, as the issuer did not cooperate.**

Facilities Availed	Previous Amount (In Crs.)	Rated Amount (In Crs.)	Tenure	Previous Rating Apr 2019	Rating Assigned\$
<b>Fund Based</b>					
Cash Credit	16.00	16.00	Long Term	BWR BBB Stable	BWR BB+ Stable Downgraded ^Issuer Not Cooperating
Term Loan	11.87	11.87			
<b>Non Fund based</b>					
ILC/FLC	7.00	7.00	Short Term	BWR A3+	BWR A4+ Downgraded ^Issuer Not Cooperating
BG	1.50	1.50			
<b>Total</b>	<b>36.37</b>	<b>36.37</b>	<b>Rs.Thirty Six Crores and Thirty Seven Lakhs Only</b>		

# Please refer to the BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for the definition of the ratings.

^ Issuer did not cooperate, based on best available information.

\$Details of Bank facilities are provided in Annexure-I.

### RATING ACTION: NATURE OF NON-COOPERATION

The last surveillance review was carried out in Apr2019 and was due for a review in Apr2020. BWR followed up with the issuer to provide the required information over numerous calls and emails dated 20 Apr 2020 and 27 Apr 2020. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. Despite the best efforts of BWR to get at least the minimum required business and financial information and documents for a review, the issuer has not provided the same. The issuer, **Axa Parenterals Limited**, did not cooperate for rating the of bank loan facilities of Rs.36.37Crs.

## LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide the required information for a review of the assigned rating may also be accompanied by financial stress.

### About the Company

Axa Parenterals Ltd (APL) was incorporated on 22<sup>nd</sup> July 2005 in Delhi, and commercial operations started during Feb 2007. The Company is promoted by Mr. Manoj Agarwal & his family members and is engaged in manufacturing of Intravenous Fluids (IVF) in Large Volume & Small Volume Parenteral (LVP & SVP) Range. It is a WHO-GMP accredited company designed as per US FDA & EU guidelines, with an ultra-modern plant, located in Roorkee, Uttarakhand with installed capacity of 50 million bottles per annum of 100 ml to 500 ml, and other 50 million vials of 5ml, 10 ml, 20 ml & 30 ml sizes with utilization capacity of ~90%. The company sells under its own brand name and also undertakes contract manufacturing services for well established brands like Cipla, Biocon, Abbott, Wockhardt, Mankind Pharma etc and also through exports and government tenders. Exports are mainly to South-East Asian markets, African Continent, CIS Countries, Middle East & now aiming at Latin American Countries & Caribbean Countries.

### KEY FINANCIAL INDICATORS [AS AVAILABLE WITH BWR]

Key Financial Indicators			
Result Type	Units	FY 17	FY 18
		Audited	Audited
Operating Revenue	₹ Cr	100.83	121.11
EBITDA	₹ Cr	16.86	26.41
PAT	₹ Cr	3.86	10.94
Tangible Net worth	₹ Cr	54.88	65.82
Total Debt/Tangible Net worth	Times	0.97	0.69
Current Ratio	Times	1.42	1.58

NON-COOPERATION WITH PREVIOUS RATING AGENCY: Nil

**Rating History for the last three years (including withdrawn/suspended ratings)**

Facilities Available	Current Rating *			Rating History for the past 3 years (Amount in (Rs. Crores))														
				2019			2018	Oct 2017										
Bank Loan Rating	<table border="1"> <tr> <td>FB</td> <td>27.87</td> <td>BWR BB+ Stable INC*</td> </tr> </table>			FB	27.87	BWR BB+ Stable INC*	<p style="text-align: center;">Jan 2019</p> <table border="1"> <tr> <td>FB</td> <td>36.55</td> <td>BWR BBB Stable</td> </tr> </table>			FB	36.55	BWR BBB Stable	NA	<table border="1"> <tr> <td>FB</td> <td>36.55</td> <td>BWR BBB Stable</td> </tr> </table>		FB	36.55	BWR BBB Stable
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\* Issuer Not Cooperating. Issuer did not cooperate, based on best available information.

**COMPLEXITY LEVELS OF THE INSTRUMENTS**

For more information, visit [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf)  
**Hyperlink/Reference to applicable Criteria**

1. [General Criteria](#)

2. [Approach to Financial Ratios](#)

**3. Service Sector**

**4. Short Term Debt**

Analytical Contacts	Investor and Media Relations
<p><b>Neha Jain</b> Primary Analyst Phone:011-23412232 ,23413896  Extn: 114 <a href="mailto:neha.j@brickworkratings.com">neha.j@brickworkratings.com</a></p> <p><b>Ashwini Mital</b> Director-Ratings Board: +91 172 5032295;+91 172 5032296 <a href="mailto:ashwinimital@brickworkratings.com">ashwinimital@brickworkratings.com</a></p>	<p>Liena Thakur Assistant Vice President - Corporate Communications +91 84339 94686 <a href="mailto:liena.t@brickworkratings.com">liena.t@brickworkratings.com</a></p>

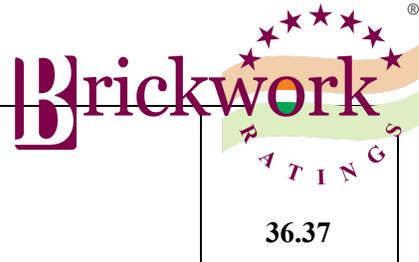
**ANNEXURE I**

**Axa Parenterals Ltd  
Details of Bank Facilities rated by BWR**

**Annexure-I  
Details of Bank Facilities**

**₹ Crores**

Bank Name	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
Punjab National Bank	Cash Credit	13.00	-	13.00
	Term loan	11.87	-	11.87
	ILC/FLC	-	7.00	7.00
	Letter of Guarantee	-	1.50	1.50
Yes Bank	Cash Credit	3.00	-	3.00



<b>Total</b>	<b>36.37</b>
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**Total:Rs.Thirty Six Crores and Thirty Seven Lakhs Only.**

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