

Rating Rationale

31 Mar 2021

Axa Parenterals Limited

Brickwork Ratings downgrades and withdraws the ratings for the Bank Loan Facilities of ₹11.50 Crs of Axa Parenterals Limited based on the best available information, as the issuer did not cooperate.

Facilities Availed	Previous Amount (Rs. Crs.)	Rated Amount (Rs. Crs.)	Tenure	Previous Rating Apr 2020\$	Present Rating [^]
Fund Based					
Cash Credit	16.00	3.00	Long Term	BWR BB+ Stable [^] Issuer Not Cooperating	BWR BB Stable [^] Issuer Not Cooperating Withdrawn
Term Loan	11.87	0.00			
Non Fund based					
ILC/FLC	7.00	7.00	Short Term	BWR A4+ [^] Issuer Not Cooperating	BWR A4 [^] Issuer Not Cooperating Withdrawn
BG	1.50	1.50			
Total	36.37	11.50	Rupees Eleven Crores and Fifty Lakhs Only		

\$Rating not reviewed advisory issued as on 09 Apr 2020.

Please refer to the BWR website 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 rating review of **Axa Parenterals Limited** (APL or the company) was carried out in April 2020 and the rating was downgraded to BWR BB+/A4+ (Stable) and migrated to the issuer not cooperating category owing to non-cooperation by APL.

We have received a communication dated 25 Mar 2021 from the company seeking withdrawal of the rating, along with a letter from the lenders specifying that they did not require an external credit rating of the company.

Based on the above, the rating to the company is withdrawn in line with the Withdrawal Policy of BWR. The above rating action may not reflect the present position of the company's financial risk profile as information availability risk is a key factor in the assessment of credit risk.

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 :

APL was incorporated on 22nd July 2005 in Delhi, and commercial operations commenced in Feb 2007. The company is promoted by Mr Manoj Agarwal & his family members and is engaged in the 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 USFDA & EU guidelines, with an ultra-modern plant, located in Roorkee, Uttarakhand with an 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 (in ₹ Cr) [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 Availed	Current Rating *		Rating History for the past 3 years (Amount in (Rs. Crores))					
			2020		2018		2018	
Bank Loan Rating	FB	3.00	BWR BB Stable* INC^ Withdrawn	FB	27.87	BWR BB+ Stable*	Jan 2019 FB 36.55 BWR BBB Stable* Apr 2020 FB 27.87 BWR BBB Stable	NA
	NFB	8.50	BWR A4* INC^ Withdrawn	NFB	8.50	BWR A4+*	Jan 2019 NFB 7.00 BWR A3+* Apr 2020 NFB 8.50 BWR A3	NA

^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
Service Sector

Approach to Financial Ratios
Short Term Debt

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ANNEXURE I

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

**Annexure-I
Details of Bank Facilities**

₹ Crores

Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
ILC/FLC	-	7.00	7.00
Letter of Guarantee	-	1.50	1.50
Cash Credit	3.00	-	3.00
Total			11.50

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