RATING RATIONALE

06 Mar 2020

Moraceae Pharmaceuticals Pvt Ltd

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹7.68 crs of Moraceae Pharmaceuticals Pvt Ltd based on best available information, as the Issuer did not Cooperate.

Particulars

<table>
<tr><th rowspan="2">Facility</th><th colspan="2">Amount (₹ Cr)</th><th rowspan="2">Tenure</th><th colspan="2">Rating#</th></tr>
<tr><th>Previous</th><th>Present</th><th>Previous (Mar’19)</th><th>Present</th></tr>
<tr><td>Fund based</td><td>7.43</td><td>7.43</td><td>Long Term</td><td>BWR C
Issuer Did Not Cooperate*</td><td rowspan="2">BWR D
Downgrade
Issuer Did Not Cooperate*</td></tr>
<tr><td>Non Fund Based</td><td>0.25</td><td>0.25</td><td>Short Term</td><td>BWR A4
Issuer Did Not Cooperate*</td></tr>
<tr><td>Total</td><td>7.68</td><td>7.68</td><td colspan="3">INR Seven crores and sixty eight lakhs only.</td></tr>
</table>

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
* Issuer did not cooperate, based on best available information.
Complete Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

Initial rating for bank loan facilities of Rs.7.68 crs availed from Oriental Bank of Commerce was done in October 2016 with rating assigned BWR D Stable which was upgraded/assigned to BWR B/A4 Stable in November 2017. The rating was due for a review in November 2018 and was moved to Rating not Reviewed category in February 2019. The rating was downgraded/reaffirmed to BWR C/A4 Issuer did not cooperate in March 2019. BWR took up with the issuer to provide required information by emails and phone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. The banker has advised over the phone that the account is NPA and is in the process of restructuring. 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 and hence in view of the above, BWR has revised the rating to BWR D Issuer Did Not Cooperate.

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 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 and withholding of information required for a review of the rating.

KEY FINANCIAL INDICATORS [As available in March 2019]

Key Parameters	Units	FY17	FY16
Result Type		**Provisional**	**Audited**
Net Sales/Revenue	Rs in Crs	25.07	25.63
EBITDA	Rs in Crs	1.84	1.90
PAT	Rs in Crs	0.11	0.03
Tangible Net Worth	Rs in Crs	6.51	6.40
Total Debt/TNW	Times	1.64	1.81
Current Ratio	Times	1.23	1.29

COMPANY PROFILE [As available in March 2019]

Moraceae Pharmaceuticals Private Limited was incorporated on 7th July 1999 in Lucknow, UP.The company is engaged in the business of manufacturing and marketing of pharmaceutical formulations like Tablet, Syrup, Lotion, Capsule and Ointments. The company has a manufacturing plant situated at A-66, Eldeco Sidcul Industrial Park, Jail Camp Road, Sitarganj, Uttarakhand.

NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: Nil

RATING HISTORY

Facilities	Current Rating (2020)			Rating History			
	Amount (₹ Cr)	Tenure (Long Term/ Short Term)	Rating	2019		2018	2017
Fund Based	7.43	Long Term	BWR D Issuer did not cooperate^ Downgraded	BWR C Issuer did not cooperate (Mar'19)	Rating Not Reviewed (Feb'19)	-	BWR B Stable
Non Fund Based	0.25	Short Term		BWR A4 Issuer did not cooperate (Mar'19)			BWR A4
Total	7.68	**INR Seven crores and sixty eight lakhs only.**					

^Issuer did not cooperate; Based on best available information

Any other 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

What Constitutes Non-Cooperation

For any other criteria obtain hyperlinks from website:

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ANNEXURE I

[Moraceae Pharmaceuticals Pvt Ltd]

Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Oriental Bank of Commerce	Cash Credit	5.00	-	5.00
2.		Working capital term loan	2.43	-	2.43
3.		Bank Guarantee	-	0.25	0.25
Total			**7.43**	**0.25**	**7.68**

INR Seven crores and sixty eight lakhs only.

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 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.