

## Rating Rationale

16 July 2021

### Accord Life Spec Pvt Ltd

Brickwork Ratings has reviewed the Rating for the Bank Loan facilities of ₹ 154.00 Crore of Accord Life Spec Pvt Ltd based on best available information, as the issuer did not cooperate and removal of rating from credit watch. Accordingly the rating for the said instrument is as under

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating*	
	Previous	Present		Previous (July 2020)	Present
Fund based	140	140	Long Term	BWR C- Issuer Not Cooperating Rating under credit watch with developing implications*	<b>BWR C- Removal from credit watch and continuing issuer not cooperating* and Reaffirmation</b>
Non Fund Based	14.02	14.02	Short Term	BWR A4 Issuer Not Cooperating Rating under credit watch with developing implications*	<b>BWR A4 Removal from credit watch and continuing issuer not cooperating* and Reaffirmation</b>
<b>Total</b>	154.02	<b>154.02</b>	<b>Rupees One Hundred And Fifty Four Crores &amp; Two Lakhs Only</b>		

\*Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings  
Issuer did not cooperate; based on best available information

#### Rating action:

On July 15, 2020, BWR had placed the ratings on Credit Watch with Developing Implications following recent reports in the media about an investigation against Mr. Jagathrakshakan, Chairman of Accord Group of Companies carried out by The Enforcement Directorate. BWR had taken up with the management of the company to understand the nature and implications of the event on the company's business and financial risk profiles. The company clarified with BWR that Mr. Jagathrakshakan is neither a director nor shareholder in the company and hence the investigation shall not have any bearing on the business or credit risk profile of the company. In the view of non availability of the information and lack of cooperation from the issuer to conduct complete review exercise of Accord Life Spec Pvt Ltd, BWR has reaffirmed the rating at BWR C-/BWR A4; Issuer not cooperating and subsequently removing the rating from credit watch with negative implication.

#### Outlook

The rating was due for a review in July, 2021. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at

least the minimum required information for a review, the firm has not provided the same. In the absence of adequate information from the firm, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating. The firm has also been irregular with respect to the submission of the monthly No Default Statement Hence, based on best available information, continued lack of management cooperation, the rating is 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.

**About the Company (Information as available July, 2021)**

Accord Life was incorporated in 2014 with the aim of setting up a manufacturing facility for oncology drugs from its facility built over an area of 11 acres in SIPCOT, Chennai. The said manufacturing facility would have a capacity to manufacture 4.5 crore tablets per annum, 1.8 crore capsules, 37 lakh lyophilized vials and 18 lakh liquid vials. The facility will also include a Research and Development unit. Despite several attempts to get information on the current status of the project and operational details, the company has not provided the same.

**Key financial indicators**

The Company has not provided financial information to BWR for the last two years.

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

Instrument /Facility	Current Rating (2020)			Rating History		
	Type	Amount (₹ Cr)	Rating^	15 July, 2020	26, Feb, 2020	28, June, 2018
<b>Fund Based</b>						
<b>Term Loan</b>	Long term	140	BWR C- Removal from credit watch and continuing issuer not cooperating* and Reaffirmation	BWR C- Issuer Not Cooperating* and placed on credit watch with developing implications/A4	BWR C- Issuer Not Cooperating *	BWR C
<b>Non Fund Based</b>						
<b>Bank Guarantee</b>	Short term	14.02	BWR A4 Removal from credit watch and continuing issuer not cooperating* and Reaffirmation	BWR A4 Issuer Not Cooperating* and placed on credit watch with developing implications/A4	BWR A4 Issuer Not Cooperating *	BWR A4

<b>Total</b>	<b>154.02</b>	<b>Rupees One Hundred And Fifty Four Crores And Two Lakhs Only</b>
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^Issuer did not cooperate; based on best available information

**Status of non-cooperation with previous CRA (if applicable)-NA**

**Any other information - No**

**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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**Accord Life Spec Pvt Ltd**

**Annexure I**

**Details of Bank Loan Facilities rated by BWR**

Sr. no	Name of lender	Type of facilities	Long term (Rs crs)	Short term (Rs crs)	Total (Rs crs)
1.	Punjab National Bank	Term loan	90	-	90
2.	UCO Bank	Term loan	50	-	50
3.	Punjab National Bank	Bank guarantee	-	14.02	14.02
<b>Total</b>			<b>140</b>	<b>14.02</b>	<b>154.02</b>
	<b>Rs One Hundred And Fifty Four Crores And Two Lakhs Only</b>				



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