

## RATING RATIONALE

12 May 2020

### Alliaance Biotech

**Brickwork Ratings downgrades the Long Term Ratings and reaffirms the Short Term Ratings for the Bank Loan Facilities of ₹9.25 Crores of Alliaance Biotech based on best available information, as the issuer did not cooperate.**

#### Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (March, 2018)	Present
Fund based Cash Credit SLC	8.00 0.50	8.00 0.50	Long Term	BWR B+ Stable (Downgrade) ISSUER NOT COOPERATING	BWR B- Stable (Downgrade) ISSUER NOT COOPERATING*
Non Fund Based LC	0.75	0.75	Short Term	BWR A4 (Reaffirm) ISSUER NOT COOPERATING*	BWR A4 (Reaffirm) ISSUER NOT COOPERATING*
<b>Total</b>	<b>9.25</b>	<b>9.25</b>	<b>INR Nine Crores and Twenty Five 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.

Details of Bank facilities is provided in Annexure-I

#### RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

**Downgraded the Long Term rating to BWR B-/Stable and Reaffirmed the Short Term Rating to BWR A4 (Issuer not Cooperating) based on best available information as the Issuer did not cooperate.**

The initial rating was done on 1st March 2013 with the rating assigned as BWR B/Stable/A4. Then the rating was upgraded to BWR BB-/A4 on 9th July 2014. The rating was then transferred to Rating Not Reviewed on 21st November 2016. Lastly, rating was downgraded to BWR B+/A4 (INC) on 31st March 2018 under Issuer Not Cooperating category. BWR took up with the issuer to provide required



information over emails. Despite the best efforts of BWR to get the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the firm as well as the banker, BWR is unable to assess the firm's financial performance and its ability to service its debt and maintain a valid rating.

### 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.

### KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY11	FY12
Result Type		Audited	Audited
Total Operating Income	Crores	23.17	23.38
PAT	Crores	2.25	2.31
Tangible Networth	Crores	9.10	11.20
Total Debt/TNW	Times	1.00	0.80
Current Ratio	Times	1.30	1.30

### COMPANY PROFILE (as available with BWR)

Alliance Biotech is a partnership concern located at Baddi (H.P.) with Corporate office at Panchkula (Haryana) for the manufacture of various types of tablets, capsules, liquid, ampoules and vial. The partnership firm is into the business of manufacturing drugs such as tablets, liquid, Injection, dry Injections. They get licenses from the Drug Control Department for the manufacture of drugs. Drugs manufactured are formulated in their Baddi unit. They also manufacture drugs for their own marketing. The corporate office is in Haryana, Panchkula and their factory unit is in Baddi (H.P). They supply their drugs to customers all across India. This company was promoted by 3 partners namely Mr. Navneet Dhawan, Mr. Shishir Gupta and Mr. Nitin Singla in 2004.

**NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY: CRISIL B+/A4**  
 "ISSUER NOT COOPERATING" as on 5th April 2019

**RATING HISTORY for the last three years (including withdrawals and suspended)**

Instrument / Facilities	Current Rating			Rating History		
	Tenure (Long Term/ Short Term)	Amount (₹ Cr)	Rating	2019	2018	2017*
Cash Credit Standby Line of Credit	Long Term	8.00 0.50	BWR B- Stable (Downgrade) ISSUER NOT COOPERATING	--	BWR B+ Stable (Downgrade) ISSUER NOT COOPERATING	--
Letter of Credit	Short Term	0.75	BWR A4 (Reaffirm) ISSUER NOT COOPERATING	--	BWR A4 (Reaffirm) ISSUER NOT COOPERATING	--
Total	9.25		INR Nine Crores and Twenty Five Lakhs Only			

\*The initial rating was done on 1st March 2013 with the rating assigned as BWR B/Stable/A4. Then the rating was upgraded to BWR BB-/A4 on 9th July 2014. Lastly the rating was downgraded to BWR B+/A4 (INC) on 31st March 2018 under Issuer Not Cooperating category.

**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**

[General Criteria](#)

[Approach to Financial Ratios](#)

[What constitutes Non-Cooperation](#)

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## ANNEXURE I

### *Alliaance Biotech*

#### 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.	State Bank of India	Fund Based & Non Fund Based	8.50	0.75	9.25
<b>TOTAL</b>					<b>9.25</b>

**Total Rupees Nine Crores & Twenty Five Lakhs only.**

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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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