

April 21, 2023

## Aarey Drugs & Pharmaceuticals Limited: Continues to remain under issuer Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	30.00	30.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Short Term-Non Fund Based-Others	15.00	15.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>45.00</b>	<b>45.00</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has retained the Long-Term and Short-Term ratings of Aarey Drugs & Pharmaceuticals Limited in the 'Issuer Not Cooperating' category. The ratings are denoted as "[ICRA]B+ (Stable)/[ICRA]A4; ISSUER NOT COOPERATING".

ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite repeated requests by ICRA, the entity's management has remained non-cooperative. The current rating action has been taken by ICRA basis best available/dated/ limited information on the issuers' performance. Accordingly, the lenders, investors and other market participants are advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity. The rating action has been taken in accordance with ICRA's policy in respect of non-cooperation by a rated entity available at [www.icra.in](http://www.icra.in).

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Corporate Credit Rating Methodology</a>
Parent/Group Support	NA
Consolidation/Standalone	Standalone

### About the company

ADPL was incorporated in the year 1990 as a private limited company in the name of Niharika Textiles & Chemicals Private Limited. In 1993, the Aarey Group, owned by Ghatalia Family, took over the company and renamed it to Aarey Drugs & Pharmaceuticals Limited. During the same year, the company was converted into a public limited company with the shares being listed on the BSE. The company was engaged in the business of manufacturing and trading of chemical products,

solvents and drug intermediaries till 2009. From 2009, the company's plant at Tarapur had remained shut for upgradation-cumexpansion; the company has been focusing only on trading of chemical products, solvents and drug intermediaries since then. However, the company has obtained all the requisite approvals for the upgraded plant and has resumed operations from September 2016.

## Key financial indicators

	FY2021	FY2022
Operating income	348.4	492.7
PAT	6.5	6.5
OPBDIT/OI	1.3%	2.3%
PAT/OI	1.9%	1.3%
Total outside liabilities/Tangible net worth (times)	1.4	1.2
Total debt/OPBDIT (times)	3.9	1.2
Interest coverage (times)	1.9	5.6

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. Crore

## Status of non-cooperation with previous CRA: NA

## Any other information: None

## Rating history for past three years

	Instrument	Current Rating (FY2024)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					21-Apr-2023	25-Feb-2022	29-Dec-2020	30-Sep-2019
1	Cash Credit	Long Term	30.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
2	Non Fund Based	Short Term	15.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Non Fund Based	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

## Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	30.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Non Fund Based	-	-	-	15.00	[ICRA]A4; ISSUER NOT COOPERATING

**Source:** Aarey Drugs & Pharmaceuticals Limited

## Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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### Branches



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