

October 14, 2021

ANG Lifesciences India Limited: Ratings downgraded and moved to Non-Cooperating category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based – Cash Credit	13.00	13.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING; downgraded from [ICRA]BB+ (Stable) and simultaneously moved 'Issuer Not Cooperation' category
Non-fund Based	8.00	8.00	[ICRA]A4 ISSUER NOT COOPERATING; downgraded from [ICRA]A4+ and simultaneously moved 'Issuer Not Cooperation' category
Total	21.00	21.00	

*Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of crucial information regarding ANG Lifesciences India Limited's (ANG) performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity.

As part of its process and in accordance with its rating agreement with ANG, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the 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	Corporate Credit Rating Methodology Rating Methodology for Entities in the Pharmaceutical Industry Policy in respect of non-cooperation by a rated entity
Parent/Group Support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial of ANG

About the company

ANG is promoted by Mr. Rajesh Gupta and family. The company was incorporated 2006 and manufactures antibiotic, anti-ulcerant, glucocorticoid and anti-inflammatory, anti-malarial, and anaesthetic injectables. ANG's equity shares are listed on

the BSE SME platform. The plant is located in Baddi, Himachal Pradesh and is approved by WHO-GMP and GLP. The company also enjoys tax and excise duty benefits under various Government laws.

Key financial indicators (audited)

ANG standalone	FY2020	FY2021
Operating Income (Rs. crore)	126.83	154.93
PAT (Rs. crore)	6.10	7.04
OPBDIT/OI (%)	9.53%	9.31%
PAT/OI (%)	4.81%	4.54%
Total Outside Liabilities/Tangible Net Worth (times)	1.72x	2.46x
Total Debt/OPBDIT (times)	1.71x	2.77x
Interest Coverage (times)	4.21x	4.86x

Source: Company

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore) *	Date & Rating in Oct 14, 2021	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2020	Date & Rating in FY2019
						Aug 28, 2020	Feb 18, 2020	Nov 7, 2019	June 19, 2018
1	Cash Credit	Long Term	13.00	-	[ICRA]B+ (Stable) ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)
2	Bank Guarantee	Short Term	4.00	-	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+
3	Letter of Credit	Short Term	4.00	-	[ICRA]A4 ISSUER NOT COOPERATING	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+	[ICRA]A4+

Source: Company data

Complexity level of the rated instrument

Instrument Name	Complexity Indicators
Long Term – Cash Credit	Simple
Short Term – Letter of Credit	Very Simple
Short Term – Bank Guarantee	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: www.icra.in

Annexure-1: Instrument details

ISIN No/Banker	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	13.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Bank Guarantee	-	-	-	4.00	[ICRA]A4 ISSUER NOT COOPERATING
NA	Letter of Credit	-	-	-	4.00	[ICRA]A4 ISSUER NOT COOPERATING

Source: Company data

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

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545 328
shamsherd@icraindia.com

Kinjal Shah
+91 22 6114 3442
kinjal.shah@icraindia.com

Sheetal Sharad
+91 124 4545 374
Sheetal.sharad@icraindia.com

Uday Kumar
+91 124 4545 867
uday.kumar@icraindia.com

RELATIONSHIP CONTACT

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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