

March 14, 2023

Tenshi Life Sciences Private Limited: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Issuer Rating	-	-	[ICRA]BB+(Stable)
Long Term/ Short Term – Fund Based	1.25	1.25	[ICRA]BB+(Stable)/[ICRA]A4+
Total	1.25	1.25	

*Instrument details are provided in Annexure I

Rationale

On March 02, 2023, ICRA was informed that Tenshi Life Sciences Private Limited (Tenshi Life or the company) has received the final order from National Company Law Tribunal (NCLT) pertaining to the company's amalgamation with Tenshi Pharmaceuticals Private Limited.

ICRA takes note of the aforementioned update and awaits further relevant information pertaining to the same. ICRA will continue to monitor developments on this front and take appropriate rating action as and when necessary.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position, rating sensitivities and key financial indicators: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Pharmaceutical Industry
Parent/Group Support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Tenshi Life.

About the company

Incorporated in FY2017, the company is promoted by Mr. Arun Kumar, who hold 72.88% stake in the company as on March 31, 2022 (directly and through his family office). He has more than three decades of experience in the pharmaceutical industry and is the founder of Strides Pharma Science Limited. The company has various subsidiaries catering to various segments of pharmaceutical industry, ranging from R&D to product development, spread across India, USA and other regulated and semi-regulated markets. The manufacturing plants and R&D centres of these companies are present in Bengaluru, Hyderabad, Mysore, Vizag, Poland and Rudrapur. The company sold off stake in its majority revenue-generating company viz Sterling Pharma Solutions Limited (Sterling) during FY2019.

Key financial indicators

Tenshi Life Consolidated	FY2021	FY2022
Operating income (Rs. crore)	153.8	280.1
PAT (Rs. crore)	-100.5	-237.7
OPBDITA/OI (%)	-7.4%	-40.9%
PAT/OI (%)	-65.4%	-84.9%
Total outside liabilities/Tangible net worth (times)	1.6	2.2
Total debt/OPBDITA (times)	-96.0	-9.8
Interest coverage (times)	-0.2	-1.3

PAT: Profit after Tax; OPBDITA: Operating Profit before Depreciation, Interest, Taxes and Amortisation; All Amounts as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2023)				Chronology of rating history for the past 3 years		
		Amount Rated (Rs. crore)	Amount outstanding as of Mar 31, 2022 (Rs. crore)	Date & Rating in FY2023		Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
				Mar 14, 2023	Jul 28, 2022	Apr 22, 2021	--	Mar 25, 2020
1 Issuer rating	Long term	--	--	[ICRA]BB+(Stable)	[ICRA]BB+(Stable)	[ICRA]BBB-(Negative)	--	[ICRA]BBB-(Negative)
2 Fund-based bank facilities	Long term/ short term	1.25	--	[ICRA]BB+(Stable)/ [ICRA]A4+	[ICRA]BB+(Stable)/ [ICRA]A4+	[ICRA]BBB-(Negative)/ [ICRA]A3	--	[ICRA]BBB-(Negative)/ [ICRA]A3

Amount in Rs. Crore

Complexity level of the rated instruments

Instrument	Complexity Indicator
Issuer rating	NA
Fund-based bank facilities	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 are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN No	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Issuer rating	-	-	-	-	[ICRA]BB+ (Stable)
NA	Fund based	November 22, 2018	-	-	1.25	[ICRA]BB+ (Stable)/[ICRA]A4+

Source: Company; Note: Amounts in Rs. crore

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Tenshi Pharmaceuticals Private Limited	99.83%	Full Consolidation
Naari Pharma Private Limited	60.00%	Full Consolidation
Tenshi Kaizen Private Limited	47.75%	Full Consolidation
Tenshi Kaizen Inc	99.95%	Full Consolidation
Tenshi Kaizen USA Inc.	100.00%	Full Consolidation
Tenshi Life Science Pte Limited	100.00%	Full Consolidation
Navad Life Sciences Pte Limited	60.00%	Full Consolidation
Tenshi Kaizen Pharma Pte Limited	100.00%	Full Consolidation
Tenshi Kaizen UK Private Limited	100.00%	Full Consolidation
Tenshi Kaizen Canada Limited	100.00%	Full Consolidation
Tenshi Kaizen BV	100.00%	Full Consolidation
Tenshi Kaizen Australia Limited	100.00%	Full Consolidation
Tenshi Healthcare Private Limited	100.00%	Full Consolidation
Naari UA Pte Limited	70.00%	Full Consolidation
Naari Pte Limited	99.56%	Full Consolidation
Naari BV, Netherlands	100.00%	Full Consolidation
Naari USA Inc.	100.00%	Full Consolidation
Naari Esta Pte Ltd	65.00%	Full Consolidation
SOP Pharma LLC, USA	37.78%	Equity method
Stelis Pte Limited	100.00%	Full Consolidation
Stelis Biopharma LLC, USA	100.00%	Full Consolidation
Triphase Pharmaceuticals Private Limited	60.00%	Full Consolidation
Biolexis Pte Limited	50.00%	Equity method
Stelis Biopharma Private Limited	15.28%	Equity Method
Outlook Therapeutics Inc.	59.50%	Equity Method
Steriscience Specialities Private Limited	100.00%	Full Consolidation
Steriscience Pte. Limited	100.00%	Full Consolidation
Steriscience BV	100.00%	Full Consolidation
Steriscience S.p. Zoo	100.00%	Full Consolidation
Steriscience Pvt Ltd	100.00%	Full Consolidation
SteriBrooks Penems Private Limited	55.67%	Equity Method
Six Rays Holdings Pte Ltd	26.13%	Full Consolidation
Brooks Steriscience Limited	40.35%	Equity Method
Katsuyama Pharmaceuticals K K	50.00%	Full Consolidation
Biolexis Private Limited	100.00%	Full Consolidation
Velbiom Probiotics Private Limited (formerly Tenshi Life Care Private Limited)	29.00%	Equity Method

Source: Company; Tenshi consolidated financials FY2022; Note: ICRA has taken a consolidated view of the parent (Tenshi), its subsidiaries and associates while assigning the ratings

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