

July 17, 2019

Farmson Pharmaceutical Gujarat Pvt. Ltd.: Rating withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore))	Current Rated Amount (Rs. crore))	Rating Action
Fund Based Facilities – CC/Others	10.00	10.00	[ICRA]A-(Stable); Withdrawn
Non-fund Based Facilities – BG/LC	15.00	15.00	[ICRA]A2+; Withdrawn
Total	25.00	25.00	

*Instrument details are provided in Annexure-1

Rationale

The ratings assigned to Farmson Pharmaceutical Gujarat Pvt. Ltd. (FPGPL or the company) have been withdrawn at the request of the company, based on the No Objection Certificate issued by its banker and in accordance with ICRA's policy on withdrawal and suspension.

Outlook: Not applicable

Key rating drivers

Not applicable

Liquidity position

Not applicable

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable
Consolidation / Standalone	Not applicable

About the company

FPGPL was founded more than four decades ago by late Mr. K. K. Vithani and is part of the Farmson group. The Company is in the business of manufacturing of bulk drug Paracetamol (also known as Acetaminophen or APAP) which is an API used as analgesic (pain reliever) and antipyretic (fever reducer). Besides the flagship company, Farmson Group owns and operates JNP Products, which manufactures the intermediate PAP which is the major raw material for the production of paracetamol and sells it entirely to FPGPL.

FPGPL has two manufacturing facilities for API Paracetamol at Nandesari, Gujarat having a total installed production capacity of 24,000 MT per year. Additionally, JNP Products has a unit at Jhagadia, Gujarat for production of PAP having a total installed capacity of 19,200 MT per year, which is sufficient to meet the PAP requirement of FPGPL. FPGPL supplies paracetamol to several leading pharmaceutical companies in India as well as 29 other countries in Europe, Africa and Asia.

In FY2018, on a provisional basis, the company reported a net profit of Rs. 23.9 crore on an operating income of Rs. 481.2 crore, as compared to a net profit of Rs. 16.1 crore on an operating income of Rs. 358.9 crore in the previous year.

Key financial indicators (Provisional)

	FY2017	FY2018
Operating Income (Rs. crore)	358.9	481.2
PAT (Rs. crore)	16.1	23.9
OPBDIT/OI (%)	9.9%	10.6%
RoCE (%)	28.3%	34.1%
Total Debt/TNW (times)	0.2	0.6
Total Debt/OPBDIT (times)	0.5	1.2
Interest coverage (times)	12.6	11.3

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years

		Current Rating (FY2020)			Chronology of Rating History for the Past 3 Years		
Instrument	Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating	Date & Rating in	Date & Rating in	Date & Rating in
					FY2019 August 2018	FY2018	FY2017
1 Fund Based Facilities – CC/Others	Long Term	10.00	-	July 2019 [ICRA]A- (Stable) Withdrawn	[ICRA]A- (Stable)	-	-
2 Non Fund Based Facilities – BG/LC	Short Term	15.00	-	[ICRA]A2+ Withdrawn	[ICRA]A2+	-	-

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

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	Fund Based Facilities – CC/Others	NA	NA	NA	10.00	[ICRA]A-(Stable) Withdrawn
NA	Non-Fund Based Facilities – BG/LC	NA	NA	NA	15.00	[ICRA]A2+ Withdrawn

Source: Farmson Pharmaceutical Gujarat Pvt. Ltd.

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

ANALYST CONTACTS

K. Ravichandran
+91 44 4596 4301
ravichandran@icraindia.com

Ankit Patel
+91 79 4027 1509
ankit.patel@icraindia.com

Parth Shah
+91 79 4027 1527
parth.shah@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

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 2556 0194/ 6606 9999

© Copyright, 2019 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents