

March 31, 2020

Envee Drugs Pvt. Ltd.: Rating Withdrawn

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund based-Term Loan	5.50	5.50	[ICRA]BB- (Stable); Withdrawn
Non-fund Based Letter of Credit	8.50	8.50	[ICRA]A4; Withdrawn
Total	14.00	14.00	

Rationale

The long-term and short-term ratings assigned to Envee Drugs Pvt. Ltd. (EDPL) have been withdrawn at the request of the company, based on the no-objection certificate provided by its banker. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating.

Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

Liquidity position

Not captured as the rating is being withdrawn.

Rating sensitivities

Not captured as the rating is being withdrawn.

Analytical approach:

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

About the company:

Envee Drugs Pvt. Ltd. was established in the year 1998 as a partnership firm and subsequently converted to a private limited company in the year 2003. It has an established track record in its primary business of manufacture and trade of Active Pharmaceutical Ingredients (APIs), primarily macrolides and steroids. The company also commissioned manufacturing and trading of bulk chemicals, mainly soda ash and butol glycol ether in FY2012, however stopped selling them from FY2017, owing to shortage in its availability and the resultant price hike leading to subdued demand and

limited margins. The company has received ISO 9001-2000 certification and its plant is also Good Manufacturing Practices (GMP) approved.

Status of non-cooperation with previous CRA: Not Applicable

Key financial indicators:

	FY2017	FY2018
Operating Income (Rs. crore)	62.45	60.28
PAT (Rs. crore)	0.53	0.88
OPBDITA/ OI (%)	2.82%	2.39%
RoCE (%)	15.72%	17.68%
Total Outside Liabilities/Tangible Net Worth (times)	4.86	4.23
Total Debt/OPBDITA (times)	4.57	3.43
Interest Coverage (times)	1.42	1.64
DSCR (excl. STD)	1.70	2.34

Source: Company

Any other information: None

Rating history for last three years:

		Current Rating (FY2020)			Rating History for the Past 3 Years			
	Instrument	Type	Amount Rated	Amount Outstanding	Rating 26-Mar-2020	FY2019	FY2018	FY2017
						31-Oct-2018	19-Apr-2017	27-Dec-2016^
1	Cash Credit	Long Term	5.50	-	[ICRA]BB- (Stable); Withdrawn	[ICRA]BB- (Stable);	[ICRA]BB- (Stable);	[ICRA]BB- (Stable);
2	Letter of Credit	Short Term	8.50	-	[ICRA]A4; Withdrawn	[ICRA]A4	[ICRA]A4	[ICRA]A4

^Suspended

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	Cash Credit	NA	NA	NA	5.50	[ICRA]BB- (Stable); Withdrawn
NA	Letter of Credit	NA	NA	NA	8.50	[ICRA]A4; Withdrawn

Source: Envee Drugs Pvt. Ltd. (EDPL)

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