

January 19, 2024

Chemiloids Life Sciences Pvt. Ltd.: Moved to Issuer Non-Cooperating category, Ratings downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based – Cash credit	10.00	10.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable) and moved to 'Issuer Not Cooperating' Category.
Total	10.00	10.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has downgraded and moved the bank loan ratings for **Chemiloids Life Sciences Pvt. Ltd. (CLSPL)** to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B+(Stable); ISSUER NOT COOPERATING"

The rating downgrade is because of lack of adequate information regarding **Chemiloids Life Sciences Pvt. Ltd.** 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, despite the downgrade.

As part of its process and in accordance with its rating agreement with **Chemiloids Life Sciences Pvt. Ltd.**, 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 Policy in respect of Non-cooperation by a rated entity Rating Methodology - Pharmaceuticals
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered standalone financials of CLSPL

About the company

CLSPL was established in 1976 as a partnership firm by Mr. G. Ganga Raju and his family. The partnership firm was converted into a private limited company in 2014. It is involved in manufacturing of herbal extract products, which are used in ayurvedic formulations. The company manufactures more than 400 herbal extracts such as *amla*, *ashwagandha*, *tulsi*, etc. CLSPL is a part of the Laila Group of Companies, which is into diverse businesses such as sugar, paper, nutraceuticals, hotels, education, etc.

Key financial indicators (audited)

	FY2022	FY2023
Operating income (Rs. crore)	62.6	62.0
PAT (Rs. crore)	7.5	7.6
OPBDIT/OI (%)	19.0%	19.3%
PAT/OI (%)	11.9%	12.3%
Total outside liabilities/Tangible net worth (times)	0.7	0.5
Total debt/OPBDIT (times)	1.0	0.2
Interest coverage (times)	13.8	23.5

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

Status of non-cooperation with previous CRA: Not Applicable

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 as of March 31, 2023 (Rs. crore)	Date & Rating in	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				Jan 19, 2024	Oct 28, 2022	Jul 30, 2021	-
1 Cash credit	Long term	10.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB+(Stable)	[ICRA]BB+(Stable)	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term – Fund-based – Cash Credit	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-I: 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	10.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING

Source: Company

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

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About ICRA Limited:

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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.

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Branches



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