

June 28, 2024^(Revised)

Aurore Life Sciences Pvt Ltd: Ratings continue to remain under ISSUER NON COOPERATING category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term Loans	54.30	54.30	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*; Rating continues to remain under 'ISSUER NOT COOPERATING' category
Working Capital Facilities	180.00	180.00	[ICRA]A4+; ISSUER NOT COOPERATING*; Rating continues to remain under 'ISSUER NOT COOPERATING' category
Letter of Credit/ Bank Guarantee	40.00	40.00	[ICRA]A4+; ISSUER NOT COOPERATING*; Rating continues to remain under 'ISSUER NOT COOPERATING' category
Total	274.30	274.30	

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

^Instrument details are provided in Annexure-1

Rationale

ICRA has kept the ratings of Aurore Life Sciences Pvt Ltd in the 'Issuer Not Cooperating' category and its ratings have been denoted as [ICRA]BB+ (Stable)/ [ICRA]A4+; ISSUER NOT COOPERATING.

As a part of its process and in accordance with its rating agreement with Aurore Life Sciences Pvt Ltd, ICRA has been trying to seek information from the entity to monitor its performance. 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, the ratings continued to remain in the Issuer Not Cooperating category. The ratings are 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 Pharmaceuticals
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken a consolidated view of Aurore Life Sciences Pvt Ltd and Aurore Pharmaceuticals Pvt Ltd (Aurore Pharma). Aurore Life had a 85.33% stake in Aurore Pharma as on March 31, 2024.

About the company

Aurore Life commenced its operations in September 2016 with three independent research and development (R&D) centres in Hyderabad, targeting domestic and semi-regulated markets like Indonesia, Bangladesh, Iran and Egypt. Post R&D, the company outsources manufacturing to other companies, which has impacted its margins in the last few years. To mitigate this, Aurore Life acquired a manufacturing plant in FY2019, where it is producing intermediates and active pharmaceutical ingredient (API) for semi-regulated markets pending regulatory approvals. The facility has also received approval from the European Medical Agency (EMA) for some products. The present capacity of the facility is 388 KL. At present, Aurore Life utilises Aurore Pharma's facility for manufacturing its own products. HAPS hold a 62% equity stake in Aurore Life, while the balance is held by its promoter, Mr. Rajender Rao and few others. HAPS is held by Karuna Business Solutions LLP (Mr. Arun Kumar's family office) and Tenshi Pharmaceuticals Private Limited.

Established in 2017, Aurore Pharma is held by Aurore Life (85%) and Mr. Dayakar Mallu (15%). Aurore Pharma acquired a US FDA-approved API manufacturing plant from Mylan in H1 FY2019. In the near term, Aurore Pharma will provide contract manufacturing services to Aurore Life, Mylan and Aurobindo Pharma. Over the long term, Aurore Pharma is expected to cater to regulated markets like the US, Europe and Japan.

Key financial indicators (Audited)

Standalone	FY2021	FY2022	FY2023
Operating income	509.5	435.8	286.7
PAT	107.0	-78.6	-99.2
OPBDITA/OI (%)	30.6%	-9.9%	-15.1%
PAT/OI (%)	21.0%	-18.0%	-34.6%
Total outside liabilities/Tangible net worth (times)	1.5	3.7	14.5
Total debt/OPBDIT (times)	1.1	-8.0	-8.7
Interest coverage (times)	10.4	-1.8	-1.3

Source: Company, ICRA Research; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: 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 (FY2025)		Chronology of Rating History for the past 3 years						
		Amount Rated (Rs. crore)	Amount Outstanding as of Dec 31, 2022 (Rs. crore)	Date & Rating in FY 2025	Date & Rating in FY2024	Date & Rating in FY2023			Date & Rating in FY2022	
						June 28, 2024	Mar 24, 2023	Jun 30, 2022	Jun 09, 2022	Jan 24, 2022
1 Term Loans	Long Term	54.30	43.60	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB (Negative)	[ICRA]BBB (Negative)	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)
2 Working Capital Facilities	Short Term	180.00	-	[ICRA]A4+ ISSUER NOT COOPERATING	-	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3+	[ICRA]A3+	[ICRA]A2	[ICRA]A2
3 Letter of Credit/ Bank Guarantee	Short Term	40.00	-	[ICRA]A4+ ISSUER NOT COOPERATING	-	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3+	[ICRA]A3+	[ICRA]A2	[ICRA]A2
4 Unallocated Limits	Long Term/ Short Term	-	-	-	-	-	-	[ICRA]BBB (Negative)/ [ICRA]A3+	[ICRA]BBB+ (Stable)/ [ICRA]A2	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Term Loans	Simple
Working Capital Facilities	Simple
Letter of Credit/ 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 are available on ICRA's website: [Click Here](#)

Annexure-I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	FY2019 – FY2021	9.5% - 10%	FY2025-26	54.30	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING
NA	Working Capital Facilities	FY2021	9.5% - 10%	--	180.00	[ICRA]A4+; ISSUER NOT COOPERATING
NA	Letter of Credit/ Bank Guarantee	FY2021	9.5% - 10%	--	40.00	

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

Rationale dated June 28, 2024, has been corrected with revisions as detailed below:

“Rating Approach – Consolidation” methodology in Applicable rating methodology under Analytical approach table has been removed.

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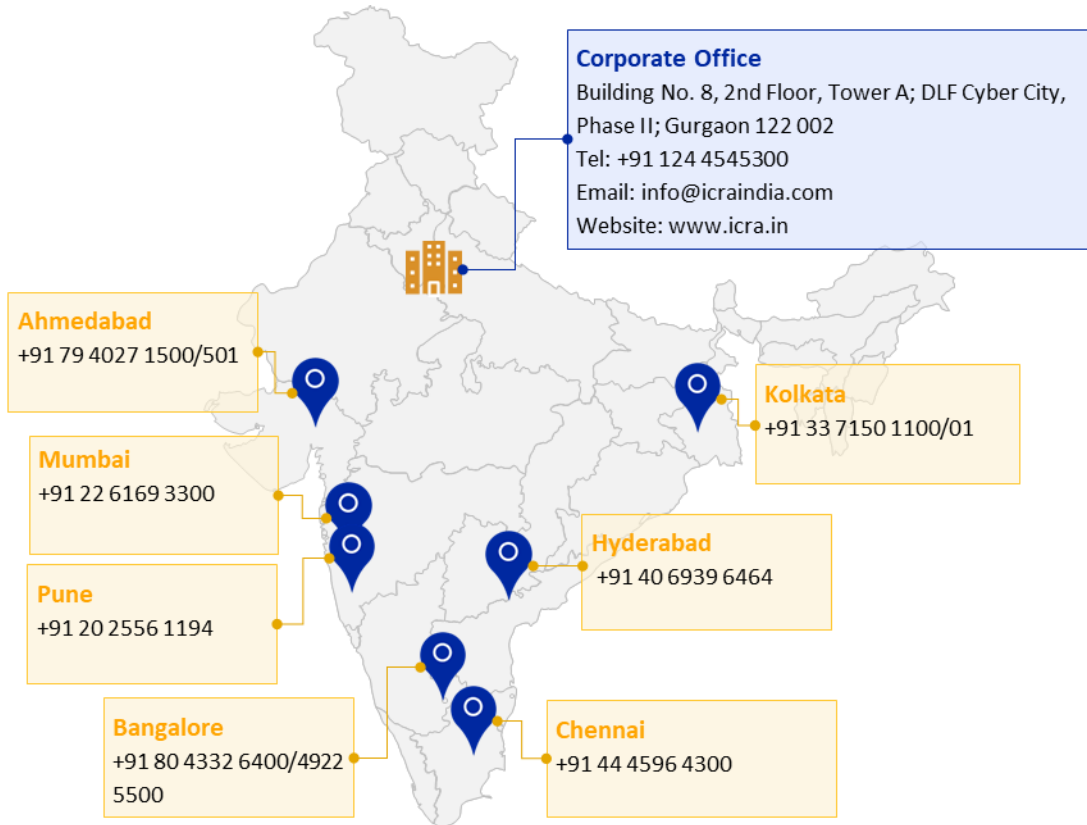
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