July 20, 2022

Bal Pharma Limited: Rating Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund-based facilities	50.00	50.00	[ICRA]BB+(Positive); Withdrawn
Short term – non-fund-based facilities	30.00	30.00	[ICRA]A4+; Withdrawn
Long term – Term loan	15.02	15.02	[ICRA]BB+(Positive); Withdrawn
Total	**95.02**	**95.02**	

^Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of Bal Pharma Limited (BPL) at the request of the company and based on the No Objection Certificate received from the bankers, and in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities, key financial indicators have not been captured as the related instruments are being withdrawn. The previous detailed rating rationale is available at the following link: **Click Here**.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Pharmaceutical Industry Policy on Withdrawal of Credit Ratings
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Bal Pharma Limited was incorporated as a private limited company in 1987 and was jointly promoted by Mr. Ghevarchand Surana of the Micro Labs group, and the Siroya family. The company is engaged in the manufacture of active pharmaceutical ingredients (APIs), branded formulations, intravenous infusions and ayurvedic products. The company has product offerings covering major therapeutics areas like diabetology, cardiology, mother & childcare, orthopaedics, neurology and post & preoperative surgical medication. The company also carries out contract manufacturing of bulk drugs and also undertakes bulk manufacturing for supplying to government institutions. In the exports segment the company mainly caters to unregulated and semi regulated markets in the formulations segment while it has a presence in regulated markets for its bulk drug segment. BPL has five manufacturing units (two located in Bangalore). Unit-I is dedicated to the production of formulations and Unit-II is dedicated for manufacturing of bulk drugs and for carrying out various R&D activities. Unit –III is into the production of intravenous fluids and is located at Pune. The company's Unit-IV in Excise Free Zone at Rudrapur (Uttarakhand) is targeted at regulated markets like UK, USA for formulations. Unit V is manufactures intermediates for international customers.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)				Chronology of Rating History for the Past 3 Years					
		Type	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
					July 20, 2022	Dec 21, 2021	Sep 13, 2021	Mar 15, 2021	Aug 10, 2020	Aug 23, 2019
1	Fund-based facilities	Long term	50.00	NA	[ICRA]BB+ (Positive); Withdrawn	[ICRA]BB+ (Positive)	[ICRA]BB+ (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Negative)	[ICRA]BB+ (Negative)
2	Non-fund based facilities	Short term	30.00	NA	[ICRA]A4+; Withdrawn	[ICRA]A4+	[ICRA]A4+	[ICRA]A4	[ICRA]A4	[ICRA]A4+
3	Term loan	Long term	15.02	NA	[ICRA]BB+ (Positive); Withdrawn	[ICRA]BB+ (Positive)	[ICRA]BB+ (Stable)	[ICRA]BB (Stable)	[ICRA]BB (Negative)	[ICRA]BB+ (Negative)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term – Fund-based facilities	Simple
Short term – non-fund-based facilities	Very Simple
Long term – Term loan	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: www.icra.in

Annexure-1: Instrument details

ISIN No/Banker Name	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund-based facilities	NA	NA	NA	50.00	[ICRA]BB+ (Positive); Withdrawn
NA	Non-fund-based facilities	NA	NA	NA	30.00	[ICRA]A4+; Withdrawn
NA	Term loan	Mar 2020	10.75%	FY2026	15.02	[ICRA]BB+ (Positive); Withdrawn

Source: *Company*

Annexure-2: List of entities considered for consolidated analysis:

Company Name	BPL ownership	Consolidation Approach
Golden Drugs Private Limited	100.00%	Full Consolidation
Balance Clinic LLP	80.00%	Full Consolidation
Lifezen Healthcare Private Limited	51.00%	Full Consolidation
Bal Research Foundation	80.00%	Full Consolidation

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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

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