July 06, 2017

# Tyche Industries Limited

**Summary of rated instruments**

| Instrument* | Rated Amount (in crore) | Rating Action |
|---|---|---|
| Fund-based – Cash Credit | 10.00 | [ICRA]BB+ (Stable); Reaffirmed |
| Non-Fund based | 2.38 | [ICRA]A4+; Reaffirmed |
| Unallocated | 0.12 | [ICRA]BB+ (Stable) / [ICRA]A4+; Reaffirmed |
| **Total** | **12.50** | |

***Issuer did not co-operate; based on best available information.**
^Instrument Details captured under Annexure-1

**Rating action**

ICRA has reaffirmed the long term rating of [ICRA]BB+ (pronounced ICRA double B plus) to the Rs. 10.00 crore[1] fund based limits and short term rating of [ICRA]A4+ (pronounced ICRA A four plus) to the Rs. 2.38 crore non-fund based limits of Tyche Industries Limited (TIL)[2]. ICRA has also reaffirmed ratings of [ICRA]BB+/[ICRA]A4+ to the Rs. 0.12 crore unallocated limits of TIL. The outlook on the long term rating is Stable.

**Rationale**

As part of its process and in accordance with its rating agreement with TIL, ICRA has been trying to seek information from the company so as to undertake a surveillance of the ratings, but despite repeated requests by ICRA, the company's management has remained non-cooperative. In the absence of requisite information, ICRA's Rating Committee has taken a rating view based on best available information. In line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, the company's rating is now denoted as: "[ICRA]BB+(Stable)/[ICRA]A4+ ISSUER NOT COOPERATING". The lenders, investors and other market participants may exercise appropriate caution while using this rating, given that it is based on limited or no updated information on the company's performance since the time it was last rated.

**Key rating drivers**

**Credit strengths**

- Experienced promoters with more than 15 years of experience in the pharmaceutical industry
- Healthy financial profile of the company with comfortable coverage indicators as on March 31, 2017

**Credit weaknesses**

- Dip in revenues during the last two years from Rs. 63.87 crore in FY2015 to Rs. 42.61 crore in FY2017 owing to low orders in hand
- High debtor days of the company over the past few years

**Description of key rating drivers:**

The promoters of TIL have established track record in the manufacturing of intermediates/API's in the pharmaceutical industry; and have regulatory approvals like WHO-GMP, EU-GMP received from German Health Association and has also received USFDA in 2016. The financial profile of the company

[1] 100 lakh = 1 crore = 10 million
[2] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

remained healthy along with comfortable coverage indicators as on March 31, 2017. The revenues declined from Rs. 63.87 crore in FY2015 to Rs. 42.61 crore in FY2017 owing to decline in orders in hand and the debtors also remained high over the past few years.

**Analytical approach:**
For arriving at the ratings ICRA has applied its rating methodologies as indicated below.

**Links to applicable criteria:**
Corporate Credit Rating Methodology
Framework for Liquidity Analysis in Corporate Ratings
Rating Methodology for Pharmaceutical Industry

**About the company:**
Tyche Industries limited (TIL) was incorporated in the year 1998 under the name of Siris Soft Private Limited as a software company and later diversified into manufacture of fine chemicals. In March 2000, the company was converted to Public Limited and in 2004, the name of the company was changed to Tyche Industries Limited and the company commenced commercial production from August 2005. TIL has its manufacturing unit in Kakinada (East Godavari Dist. of A.P.) and registered office in Hyderabad. TIL is engaged in manufacturing of Intermediates and API's for anti-retroviral, anti-depression, anti-arthritic, anti-diarrheal, anti-psychotic etc. segments. TIL has 6 production blocks and has total reactor capacity of 153 KL.

**Key Financial Indicators:**

| **Particulars** | **FY2016** | **FY2017** |
|---|---|---|
| Operating Income (Rs. crore) | 54.07 | 42.61 |
| Net Profit (Rs. crore) | 2.47 | 3.08 |
| OPBDITA / OI (%) | 5.42% | 14.07% |
| RoCE (%) | 5.19% | 11.36% |
| | | |
| Total Debt / Tangible Net worth (times) | 0.22 | 0.00 |
| Total Debt / OPBDIT (times) | 3.40 | 0.00 |
| Interest coverage (times) | 10.12 | 71.39 |
| NWC/OI (%) | 26.10% | 18.82% |

Source: TIL and ICRA research; OPBDITA: Operating profit before depreciation interest and tax

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:**

**Table:**

| S. No. | Instrument | Current Rating (FY2018) | | | Chronology of Rating History for the past 3 years | | |
|---|---|---|---|---|---|---|---|
| | | Type | Amount Rated (Rs. crore) | Month - year & rating | Date & Rating in FY2017 | Date & Rating in FY2016 | Date & Rating in FY2015 |
| | | | | **July 2017** | **-** | **Jan 2016** | **-** |
| 1 | Cash Credit | Long Term | 15.00 | [ICRA]BB+ (Stable) | - | [ICRA]BB+ (Stable) | - |
| 2 | Letter of Credit | Short Term | 2.00 | [ICRA]A4+ | - | [ICRA]A4+ | - |
| 3 | Forward Contract | Short Term | 0.38 | [ICRA]A4+ | - | [ICRA]A4+ | - |
| 4 | Unallocated | Long/Short Term | 0.12 | [ICRA]BB+ (Stable) / [ICRA]A4+ | - | [ICRA]BB+ (Stable) / [ICRA]A4+ | - |

**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**

| Instrument | Date of Issuance / Sanction | Coupon Rate | Maturity Date | Amount Rated (Rs. crore) | Current Rating and Outlook |
|---|---|---|---|---|---|
| Cash Credit | - | - | - | 10.00 | [ICRA]BB+ (Stable) |
| Letter of Credit | - | - | - | 2.00 | [ICRA]A4+ |
| Forward Contract | - | - | - | 0.38 | [ICRA]A4+ |
| Unallocated | - | - | - | 0.12 | [ICRA]BB+ (Stable) / [ICRA]A4+ |

Source: TIL

## Contact Details


**Analyst Contacts**

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

**R Srinivasan**
+91 44 4596 4315
r.srinivasan@icraindia.com

**Vinay Kumar G**
+91 40 4067 6533
vinay.g@icraindia.com

**Gaurav Mittal**
+91 40 4067 6529
gaurav.mittal@icraindia.com

**Relationship Contact**

**Mr. Jayanta Chatterjee**
+91 80 4332 6401
jayantac@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**

**Registered Office**
**ICRA Limited**
1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

**Corporate Office**
**Mr. Vivek Mathur**
Mobile: +**91 9871221122**
Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

**Mumbai**
**Mr. L. Shivakumar**
Mobile: +**91 9821086490**
Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

**Kolkata**
**Mr. Jayanta Roy**
Mobile: **+91 9903394664**
Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

**Chennai**
**Mr. Jayanta Chatterjee**
Mobile: +**91 9845022459**
Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

**Bangalore**
**Mr. Jayanta Chatterjee**
Mobile: +**91 9845022459**
Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004,10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

**Ahmedabad**
**Mr. L. Shivakumar**
Mobile: +**91 9821086490**
Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-79-25569231

**Pune**
**Mr. L. Shivakumar**
Mobile: +**91 9821086490**
Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range Hills Road, Shivajinagar,Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

**Hyderabad**
**Mr. Jayanta Chatterjee**
Mobile: +**91 9845022459**
Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500