

Navkar Lifesciences

May 15, 2018

Summary of Rated Instrument:

Instrument [^]	Previous Rated Amount(Rs. crore)	Current Rated Amount(Rs. crore)	Rating Action
Fund based	26.75	26.75	[ICRA]BB- ISSUER NOT COOPERATING*; rating moved to issuer not cooperating category; Outlook revised from Positive to Stable
Total	26.75	26.75	

*Issuer did not co-operate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rating action

ICRA has moved the long term rating for the bank facilities of Navkar Lifesciences (Navkar) to the 'Issuer Not Cooperating' category. ICRA has revised the outlook from Positive to Stable. The rating is now denoted as "[ICRA]BB-(Stable) ISSUER NOT COOPERATING".

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. The current rating action has been taken by ICRA basis limited information on the issuers' performance. Accordingly the lenders, investors and other market participants are 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 revision in the outlook.

Rationale

The revision in outlook follows the limited information on the entity's performance about ramp up in operations as envisaged by ICRA during the last time it was last rated in November, 2017. Further in the absence of clarity about the scale of operations along with limit enhancement in the current year, ICRA has revised the outlook from Positive to Stable.

Analytical approach

ICRA has applied its rating methodologies/policies as indicated below:

Links to applicable criteria:

[Rating Methodology for Pharmaceutical Industry](#)

[Policy in respect of non-cooperation by the rated entity](#)

About the company:

Navkar, incorporated in February 2016, is involved in developing and manufacturing generic pharmaceutical formulations such as tablets, capsules and ointments. The firm's manufacturing facilities are located in Baddi, Himachal Pradesh, and it offers a considerably broad range of formulations such as analgesic, nutritional, dermatological, anti-allergic, anti-diabetic, anti-fungal, and anti-depressants. NLS is a part of the Baddi-based Arion Healthcare Group (which is also involved in the same line of business) and Arihant Packwell (which is involved in manufacturing packaging material).

Status of non-cooperation with previous CRA: None

Any other information: None

Rating history for last three years

	Instrument	Current Rating (FY2019)				Chronology of Rating History for the past 3 years			
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs Crore)	Date & Rating	Date & Rating in FY2017	Date & Rating in FY2017	Date & Rating in FY2016	
					May 2018	November 2017	October 2017	December 2016	
1	Term Loan	Long Term	7.00	7.00	[ICRA]BB-(Stable) ISSUER NOT COOPERATING	[ICRA]BB-(Positive)	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	
2	Cash Credit	Long Term	19.75	19.75	[ICRA]BB-(Stable) ISSUER NOT COOPERATING	[ICRA]BB-(Positive)	[ICRA]BB-(Stable)	[ICRA]BB-(Stable)	

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	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	FY2016	NA	FY2020	7.00	[ICRA]BB- (Stable) ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	19.75	[ICRA]BB- (Stable) ISSUER NOT COOPERATING

Source: Navkar

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