

February 03, 2020

Avenues Pharmaceuticals Associates: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term – Fund based/CC	17.00	17.00	[ICRA]BB+ (Stable); Withdrawn
Total	17.00	17.00	

*Instrument details are provided in Annexure-1

Rationale

The long-term rating assigned to Avenues Pharmaceuticals Associates have been withdrawn based on the no-due certificate provided by its banker as the rated limits are closed.

Key rating drivers and their description

Key rating drivers has not been captured since the rating is withdrawn

Liquidity position: Adequate

Liquidity position has not been captured since the rating has been withdrawn

Rating sensitivities

Rating sensitivities have not been captured since the rating has been withdrawn

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not applicable
Consolidation/Standalone	Not applicable

About the company

Established by Mr. K.G. Subbaraj, Avenues Pharmaceuticals Associates is a partnership firm involved in distribution of pharmaceutical products, catering to more than 3,000 customers in the Bangalore market. The firm operated from its three branches in Bangalore which also housed its warehouse and storage facilities. The firm traded in over 12,000 branded drugs with supplies from major pharmaceutical companies like GSK, Pfizer, Sanofi and Cipla among others. In April 2019 the firm sold its business to Entero Healthcare Solutions Private Limited and the bank limits were closed.

Key financial indicators (audited)

	FY2017	FY2018
Operating Income (Rs. crore)	122.21	129.85
PAT (Rs. crore)	1.55	1.77
OPBDIT/OI (%)	3.15%	3.07%
RoCE (%)	14.83%	13.68%
Total Outside Liabilities/Tangible Net Worth (times)	1.77	1.95
Total Debt/OPBDIT (times)	4.26	4.88
Interest Coverage (times)	2.15	2.35
DSCR	2.01	2.09

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Rating (FY2020)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Current Rating	FY2019	FY2018	FY2017
					03-Feb-2020	31-Jan-2019	11-Jul-2017	15-Sep-2016
1	Cash Credit	Long Term	17.00	-	[ICRA]BB+ (Stable); Withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)

Amount in Rs. Crore

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	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	-	-	-	17.00	[ICRA]BB+ (Stable); Withdrawn

Source: Avenues Pharmaceuticals Associates

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