

February 17, 2020

## Lucknow Medical Agencies: Continues to remain under issuer Non-Cooperating category

### Summary of Rated Instrument:

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term Fund based/ Cash Credit	6.50	6.50	[ICRA]B (Stable) ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>6.50</b>	<b>6.50</b>	

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

### Rationale

The rating for the Rs. 6.50 crore bank facilities of Lucknow Medical Agencies continue to remain under 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]B (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 best available/dated/ 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.

### Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	<a href="#">Corporate Credit Rating Methodology Policy in respect of non-co-operation by the rated entity</a>
Parent/Group Support	Not Applicable
Consolidation / Standalone	The rating is based on standalone financial statements of the issuer.

### About the company:

Established in 1999 as a partnership firm, LMA has been engaged in the wholesaling and distribution of pharmaceutical drugs in the domestic market for more than a decade in Delhi. The firm's product portfolio consists of more than 9,000 branded drugs, which are procured directly through the pharma manufacturers. Some of the key suppliers include Cipla Ltd., Sun Pharma Limited, Sanofi India Ltd., Abbott India Ltd. Etc. LMA's operating income has witnessed steady growth over the years aided by deeper penetration in the existing markets. Further, addition of new suppliers thereby resulting in enhanced product portfolio has also supported volume growth for the firm. Post FY13, LMA's revenues have witnessed significant growth in the operating income owing to increasing volume along with marginal increase in the realizations which have been transferred by the pharmaceutical companies to the distributors. Going forward, the firm's revenues are expected to derive support from the management's increasing focus on expanding its presence and adding new suppliers.

The previous detailed rating rationale is available on the following link: [Click here](#)

[www.icra.in](http://www.icra.in)

**Key financial indicators: Not Available**

**Status of non-cooperation with previous CRA**

Not applicable

**Rating history for past three years**

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2019	FY2018	FY2017
					17-Feb- 2020	28-Nov-2018	30-Aug -2017	-
1	Cash Credit	Long Term	6.50	-	[ICRA]B (Stable) ISSUER NOT COOPERATING	[ICRA]B (Stable) ISSUER NOT COOPERATING	[ICRA]B (Stable) ISSUER NOT COOPERATING	-

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For more information, visit [www.icra.in](http://www.icra.in)

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