

Ambey Laboratories Limited

February 05, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings	Rating Action
Long Term Bank Facilities	23.69	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB-; (Double B Minus)
Short Term Bank Facilities	8.75	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4; (A Four)
Total Bank Facilities	32.44 (Rs. Thirty-Two Core and Forty- Four Lakhs Only)		

Details of facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated November 14, 2019 placed the rating of Ambey Laboratories Limited (ALPL) under the 'issuer non-cooperating' category as ALPL had failed to provide information for monitoring of the rating. ALPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated February 02, 2021, February 01, 2021, January 29, 2021 and numerous phone calls. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The rating has been revised by taking into account non-availability of requisite information and no due-diligence conducted due to non-cooperation by Ambey Laboratories Limited with CARE'S efforts to undertake a review of the rating outstanding. CARE views information availability risk as a key factor in its assessment of credit risk. Further, the ratings continue to remain constrained owing to delays in debt servicing.

Detailed description of the key rating drivers

Key Rating Weaknesses

Delays in debt servicing: There were ongoing delays in debt servicing due to stretched liquidity position.

Analytical approach: Standalone

Applicable Criteria

[CARE's methodology for manufacturing companies](#)

[CARE's default recognition policy](#)

[Financial ratios – Non-Financial Sector](#)

[Criteria for Short Term Instruments](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

[Policy in respect of non-cooperation by issuers](#)

About the Company

Ambey Laboratories Private Limited (ALPL) part of Ambey Group of companies was incorporated in March, 1985 by Mr Anil Gupta. Later on in 2004 his son Mr. Archit Gupta and in 2009 Mr. Arpit Gupta also joined the company as directors. ALPL is engaged in manufacturing and export of range of pesticides including herbicides, insecticides and fungicides. The company mainly manufactures agrochemical solution for varied cereal crop plantations like wheat, rice and sugarcane. The manufacturing facility of the company is situated in Behror, Rajasthan with an installed capacity of 3600 Metric Tonne per Annum (MTPA). Major raw material for manufacturing of agrochemical formulations are Phenol, Monochloroacetic Acid (MCA), Chlorine, Caustic Soda Lye and Dimethylacetamide (DMA) which are procured domestically as well as imported from manufactures and traders in China. Import comprises approximately 26% of total raw material purchase during FY15. The company caters to both domestic as well as export market. Apart from ALPL, Ambey group of companies has diversified interest in FMCG, Cement and Agrochemical industries.

(Rs. Crore)

Brief Financials (Rs. crore)	FY19 (A)	FY20 (A)
Total operating income	69.26	69.48
PBILDT	6.41	7.63
PAT	5.95	1.80
Overall gearing (times)	-1.84	-1.81
Interest coverage (times)	1.73	1.51

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	3.69	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit	-	-	-	20.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	8.75	CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	3.69	CARE D; ISSUER NOT COOPERATING*	-	1)CARE BB-; ISSUER NOT COOPERATING* (14-Nov-19)	1)CARE BB; ISSUER NOT COOPERATING* (03-Jul-18)	1)CARE BB+; ISSUER NOT COOPERATING* (26-Apr-17)
2.	Fund-based - LT-Cash Credit	LT	20.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE BB-; ISSUER NOT COOPERATING* (14-Nov-19)	1)CARE BB; ISSUER NOT COOPERATING* (03-Jul-18)	1)CARE BB+; ISSUER NOT COOPERATING* (26-Apr-17)
3.	Non-fund-based - ST-Letter of credit	ST	8.75	CARE D; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (14-Nov-19)	1)CARE A4; ISSUER NOT COOPERATING* (03-Jul-18)	1)CARE A4+; ISSUER NOT COOPERATING* (26-Apr-17)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Non-fund-based - ST-Letter of credit	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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