

Roshan Distributors Private Limited

June 28, 2024

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	Revised from CARE BB; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Roshan Distributors Private Limited (Roshan) to monitor the rating(s) vide e-mail communications dated May 21, 2024, May 23, 2024, June 11, 2024, and June 18, 2024 among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on AS Pharma's bank facilities will now be denoted as CARE BB; Stable; ISSUER NOT COOPERATING*.

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 ratings have been revised on account of non-availability of requisite information due to non-cooperation by Roshan Distributors Private Limited with CARE Ratings Ltd.'s efforts to undertake a review of the rating outstanding. CARE Ratings Ltd. views information availability risk as a key factor in its assessment of credit risk. The rating assigned to the bank facilities of Roshan Distributors Private Limited (Roshan) is constrained by nascent stage of operations and low profitability margins owing to trading nature of operations. The rating also factors in weak financial risk profile marked by a leveraged capital structure with weak debt coverage indicators, and presence in a highly fragmented and competitive industry. The rating, however, derives comfort from long standing experience of the promoters in trading of pharmaceutical products.

Analytical approach: Standalone after factoring linkages with parent A S Pharma Private Limited.

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating on June 13, 2023, the following were the rating weaknesses and strengths:

Key weaknesses

Nascent stage of operations- The company commenced its operations in July 2023 and has a relatively short track record of operations as compared with other established players. The company has generated the total operating income of Rs 24.36 crores in its first six month of operations.

Low Profitability Margins- Roshan deals in wholesale trading of pharmaceutical products with major clients being retail chemists wherein the margins are on lower side owing to high competitive space. Thus, profitability margins remained low as marked by PBILDT margin of 1.66% and PAT margin of 0.78% during FY23.

Weak Financial Risk Profile- Financial risk profile of the company is weak based on low net worth base and high reliance on high external borrowings to support the working capital needs of the business. The capital structure of the company stood leveraged with overall gearing of at 6.98x as on March 31, 2023. The debt service matrix stood weak as marked by interest coverage ratio and total debt to GCA ratio of 2.74x and 42.68x respectively.

Highly Fragmented and Competitive industry: The pharmaceutical trading industry is highly fragmented marked by presence of a large number of small to medium scale organized and unorganized players owing to low entry barriers with no visible differentiators in product profile. High competition in the operating spectrum and small size of the company limits the scope for margin expansion for Roshan.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Key strengths

Experienced promoters in trading of pharmaceutical products- The company is managed by Mr. Nippun Dudeja, MSc Finance, who holds experience as investment professional and has invested in various startups including ones in medical and pharmaceutical field. Mr. Dudeja is also holding directorship of of group concern A S Pharma Private Limited along with Mr. Santosh Dudeja who has over three decades of experience in pharma trading & distribution. The long-established track record in the business and the vast industry network developed over the years is expected to benefit in scaling up of operations for Roshan. The management is also well supported by a team of experienced professionals having considerable experience in the segment, to look after the day-to-day operations

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

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

[Rating Outlook and Rating Watch](#)

[Pharmaceuticals](#)

[Financial Ratios – Non financial Sector](#)

[Wholesale Trading](#)

About the company and industry

Industry classification

Macro Economic Indicator	Sector	Industry	Basic Industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

Roshan Distributors Private Limited (Roshan) was incorporated during FY23 and is engaged in trading of pharmaceuticals mainly catering to the needs of Outpatient Department (OPD). Company is based out of Delhi and deals in medicines of major pharma companies such as Cipla (CARE AAA; Stable/ CARE A1+), Pfizer, Dr Reddy's, Zydus etc. Clientele of Roshan is retail pharmacy in and outside hospitals. Roshan is part of A S Pharma Group. A S Pharma Private Limited is a parent company of Roshan Distributors Private Limited. A S Pharma Private Limited is engaged in dealing of pharma products for In-Patient Department (IPD) and mainly caters to hospitals such as Max Healthcare, Fortis, BLK Hospital, Medanta Group etc

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (UA)
Total operating income	0.00	24.36	NA
PBILDT	0.00	0.41	NA
PAT	0.00	0.19	NA
Overall gearing (times)	0.00	6.98	NA
Interest coverage (times)	0.00	2.76	NA

A: Audited UA: Unaudited; NA: Not Available Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	10.00	CARE BB-; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	10.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (13-Jun-23)	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term

Annexure-3: Detailed explanation of covenants of the rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on the complexity levels of the rated instruments: CARE Ratings has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About us:

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