

Infutec Healthcare Limited

January 31, 2023

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	49.09	CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	14.50	CARE D / CARE D; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Infutec Healthcare Limited (IHL) to monitor the rating vide e-mail communications dated November 30, 2022, January 18, 2023, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating. 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 IHL's bank facilities will now be denoted as **CARE D; 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.

The ratings take into account on going delays in servicing of debt obligation owing to its poor liquidity arising due to weak financial performance.

Analytical approach: Standalone

At the time of last rating on March 01, 2022, the following were the rating strengths and weaknesses:

Key weaknesses

On-going delays in debt servicing

As per lender interaction and information received from the company, its debt servicing remained irregular due to poor liquidity followed by weak financial performance marked by negative profitability in FY21 (FY refers to period April 1 to March 31). IHL reported 22% y-o-y dip in its total operating income during FY21 with losses at operating level. Tangible net worth of the company depleted on the back of accretion of loss into reserves and remained negative as on March 31, 2021.

Liquidity: Poor

IHL's liquidity position remained poor on the back of its loss-making operations during FY21 resulted into cash loss of Rs.20.81 crore which led to on-going delays in its debt servicing. Further, the company has reported negative cash flow from operations (CFO) of Rs.19.66 crore as against scheduled debt repayment obligation of Rs.17.80 crore in FY22. Unencumbered cash and bank balance remained low at Rs.0.05 crore as on March 31, 2021. IHL's gross current asset days elongated to 258 days in FY21 [PY:191 days] owing to increase in debtors as on March 31, 2021. Current ratio of the company remained modest at 1.06 times as on March 31, 2021.

Applicable criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Policy On Curing Period](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

[Pharmaceutical](#)

[Policy on Withdrawal of Ratings](#)

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

About the company

IHL (erstwhile Goa Formulations Ltd, CIN: U24230MH2005PLC155962) was a wholly owned subsidiary of Indore-based Parental Drugs India Limited (PDIL). As on July 10, 2018, one of the investors i.e. Mahaganpati Investment Private Limited (MIPL) converted preference share of Rs.48.50 crore (book value) into equity share leading to dilution of the shareholding of PDIL. As on March 31, 2021, PDIL holds 12.24% equity stake in the company whereas the majority holding of 87.76% equity stake is held by MIPL. IHL is engaged in manufacturing of pharmaceutical products mainly into intravenous fluids at its plant located at Hoshiarpur, Punjab.

Brief Financials (₹ crore)	March 31, 2021 (A)	March 31, 2022 (A)	9MFY23(UA)
Total operating income	183.08	NA	NA
PBILDT	-8.80	NA	NA
PAT	-24.43	NA	NA
Overall gearing (times)	-116.92	NA	NA
Interest coverage (times)	-0.73	NA	NA

A: Audited; UA: Unaudited; NA: Not Available.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Available

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

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

Complexity level of the 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 (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	25.00	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	31/03/2025	24.09	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-BG/LC	-	-	-	-	14.50	CARE D / CARE D; ISSUER NOT COOPERATING*

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 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	24.09	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (01-Mar-22)	1)CARE D (07-Dec-20)	1)CARE D (15-Oct-19)
2	Fund-based - LT-Cash Credit	LT	25.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (01-Mar-22)	1)CARE D (07-Dec-20)	1)CARE D (15-Oct-19)
3	Non-fund-based - LT/ ST-BG/LC	LT/ST*	14.50	CARE D / CARE D; ISSUER NOT COOPERATING*	-	1)CARE D / CARE D (01-Mar-22)	1)CARE D / CARE D (07-Dec-20)	1)CARE D / CARE D (15-Oct-19)

*Long term/Short term.

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: None**Annexure-4: Complexity level of the various instruments rated**

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 - LT/ ST-BG/LC	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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