

Press Release

Sava Healthcare Limited

May 07, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 18.00 Cr. #
Long Term Rating	ACUITE BB- Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuite has reviewed long-term rating of '**ACUITE BB-**' (read as **ACUITE double B minus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 18.00 crore bank facilities of Sava Healthcare Limited (SHL). This rating is now an indicative rating and is based on best available information.

SHL (erstwhile Anagha Pharma Private Limited, name changed in April 2015) was incorporated in October 2004. SHL is promoted by Mr. Vinod Jadhav, Mrs. Suvarna Jadhav and Mr. Vishal Jadhav. The company is primarily engaged into trading, manufacturing of pharmaceutical products and herbal products. The company has reduced its trading activity and is primarily into manufacturing of pharmaceutical products such as tablets, capsules, injections, nasal spray, among others and herbal products. SHL has manufacturing facilities at Surendranagar (Gujarat) and Kolar (Karnataka) which meets the stringent WHO Good Manufacturing Practices (WHO-GMP) norms laid down by the World Health Organization.

The Surendra nagar plant has installed capacity of 49.20 Lakhs units per annum of Nasal Sprays, Dry Powder Inhalers, Tablets, Capsules, and Ointments & Gel. SHL is also engaged in the manufacturing of veterinary products under its own brand name which ranks 7th in domestic market and it contributed around 20 percent of total revenue in FY2017. SHL also exports its products in unregulated and emerging markets such as Veitnam, Indonesia, West Indies, Russia, Kenya, UAE; and herbal products in Pakistan and US (USFDA not required for herbal products) through Regent Holding FZ (RHFZ). RHFZ is a 100 percent subsidiary of SHL, operating in Sharjah (UAE).

Non-cooperation by the issuer/borrower

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	83.76	73.14	64.31
EBITDA	Rs. Cr.	6.99	(1.23)	(3.46)
PAT	Rs. Cr.	2.62	2.30	(0.90)
EBITDA Margin	(%)	8.35	(1.68)	(5.37)
PAT Margin	(%)	3.13	3.14	(1.41)
ROCE (%)	(%)	4.23	3.77	4.30
Total Debt/Tangible Net Worth	Times	0.86	0.90	0.89
PBDIT/Interest	Times	2.48	2.56	3.23
Total Debt/PBDIT	Times	5.02	4.96	4.52
Gross Current Assets (Days)	Days	299	216	232

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
23-Feb-2018	Cash Credit	Long Term	10.00	ACUITE BB- / Stable (Assigned)
	Term Loan	Long Term	2.40	ACUITE BB- / Stable (Assigned)
	Proposed Bank Facility	Long Term	2.60	ACUITE BB- / Stable (Assigned)
	Bank Guarantee	Short Term	2.00	ACUITE A4 (Assigned)
	Proposed Short Term Loan	Short Term	1.00	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs.Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE BB- Issuer not co-operating*
Term loans	Not Applicable	Not Applicable	Not Applicable	2.40	ACUITE BB- Issuer not co-operating*
Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.60	ACUITE BB- Issuer not co-operating*
Bank guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE A4 Issuer not co-operating*
Proposed	Not Applicable	Not Applicable	Not Applicable	1.00	ACUITE A4 Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

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About Acuité Ratings & Research:

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