

Press Release

Crescent Formulations Private Limited

November 10, 2020



Rating Update

| | |
|-------------------------------------|---|
| Total Bank Facilities Rated* | Rs. 5.50 Cr.# |
| Long Term Rating | ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating* |

#Refer Annexure for details

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

Acuite has downgraded the long term rating to '**ACUITE B+**' (read as **ACUITE B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 5.50 crore bank facilities of Crescent Formulations Private Limited (Crescent). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

Crescent Formulations, a proprietorship concern, was promoted by Mr. Shaik Jainimiya in 1997. Later, the same was converted into a private limited company in 2010. Mr. Jainimiya started his career as a medical representative in 1986 before becoming an entrepreneur.

Crescent follows the loan-licensing model for manufacturing of its products. Currently, Crescent is outsourcing from two units - Crescent Therapeutics Limited based out of Solan (Himachal Pradesh) and Suraksha Pharma Private Limited based at Hyderabad. It has nine carryings and forwarding (C&F) agents for marketing and distribution of their products through stockists across Andhra Pradesh, Telangana, Tamil Nadu, Kerala, Karnataka, Maharashtra, and Orissa. All the products are generic drugs only.

Presently, Crescent has a product base of about 70 formulations and is waiting for approvals on about 30 products. All the products are prescriptive in nature. They have presence in about 10 therapeutic segments like Neurology, Psychiatry, Ortho, Arthritis, Nutraceutical, Gastro, and General, among others. The drugs are sold under the brand name 'Crescent'. Its major focus is on Neuro, Psychiatry and Ortho drugs.

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 the due date.

This rating continues to be flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-59.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 endeavored 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

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Up to last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr) | Ratings/Outlook |
|---------------|---------------------------------|-----------|-----------------|--|
| 22 Aug, 2019 | Cash Credit | Long Term | 4.80 | ACUITE BB- Issuer not co-operating* |
| | Proposed Cash Credit | Long Term | 0.70 | ACUITE BB- Issuer not co-operating* |
| 22 June, 2018 | Cash Credit | Long Term | 4.80 | ACUITE BB-/ Stable (Assigned) |
| | Proposed Cash Credit | Long Term | 0.70 | ACUITE BB-/ Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Crore) | Ratings/Outlook |
|------------------------|------------------|----------------|----------------|-------------------------------|---|
| Cash Credit | Not Available | Not Applicable | Not Available | 4.80 | ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating* |
| Proposed Cash Credit | Not Applicable | Not Applicable | Not Applicable | 0.70 | ACUITE B+ (Downgraded from ACUITE BB-) Issuer not co-operating* |

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

Contacts

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About Acuite Ratings & Research:

Acuite Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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