

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.

Acuité 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:

Acuité 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 Acuité'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). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité 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

Acuité 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

Analytical	Rating Desk
Aditya Gupta Head- Corporate and Infrastructure Sector Tel: 022-49294041 aditya.gupta@acuite.in	Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011 rating.desk@acuite.in
Bhavani Nagidi Analyst - Rating Operations Tel: 040-40042327 nagidi.bhavani@acuite.in	

About Acuité Ratings & Research:

Acuité 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.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Acuité ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. Acuité ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.