

September 21, 2010

**CARE ASSIGNS 'CARE BBB+' AND 'PR2' RATINGS TO BANK FACILITIES OF  
AHLCON PARENTERALS (INDIA) LTD**

**Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	31.83	'CARE BBB+' (Triple B Plus)	Assigned
Long-term/Short-term Bank Facilities	9.00	'PR2' (PR Two)	Assigned
<b>Total Facilities</b>	<b>40.83</b>		

**Rating Rationale**

The ratings factor in APIL's long track record of operations in the Intravenous Fluids (IVF) market, experienced promoters, presence of product approvals and quality certifications, reputed client base, low overall gearing and overall improvement in financial performance in FY10 and Q1FY11. The ratings are primarily constrained due to the declining trend of revenues in the past during the period FY07-09, volatility risk related to raw material prices and stabilisation and offtake risk associated with the on-going capital expenditure program which is largely debt-funded and significant as compared to the existing capacity in the Large Volume Parenterals (LVP) segment. Going forward, successful implementation of on-going capex and ability to augment cash flows would be the key rating sensitivities.

**Company Profile**

Ahlcon Parenterals (India) Ltd, hereinafter referred to as APIL, (formerly incorporated as Gujarat Inject (Rajasthan) Ltd. in January 1992) was set up as a public limited company by Mr. Bikramjit Ahluwalia, Dr. Rohini Ahluwalia (D/o Mr. Bikramjit Ahluwalia) and Ahluwalia Contracts (India) Limited. In August 1993, the company was renamed as Ahlcon Parenterals (India) Limited.

APIL is managed by professionally-qualified board members with Mr. Bikramjit Ahluwalia as Chairman, who holds a diploma in civil engineering and has over 41 years of experience in the construction industry. Mr. Bikramjit Ahluwalia is also the Chairman and Managing Director of Ahluwalia Contracts (India) Ltd. (rated 'CARE A' and 'PR1' for its long-term and short-term bank facilities respectively). Dr. Rohini Ahluwalia (Vice Chairperson of APIL) is a qualified MBBS and has close to two decades of experience in the pharmaceutical industry.

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<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

APIL undertakes the manufacturing of Small Volume Parenterals (SVPs) such as eye/ear drops, injectables and LVPs such as glucose and saline water at its single manufacturing facility located in Bhiwadi, Rajasthan. In FY10, the % contribution of revenue from LVPs and SVPs was 57% and 43% respectively.

On a total operating income of Rs.51 cr, APIL earned a PAT of Rs.7 cr in FY10. The total operating income and PAT for Q1FY11 stood at Rs.15 cr and Rs.3 cr respectively.

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