

August 31, 2010

**CARE ASSIGNS 'CARE BBB' AND 'PR3' RATINGS TO THE BANK FACILITIES OF ASTRA LIFECARE (INDIA) PVT. LTD.****Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings <sup>1</sup>	Remarks
Long-term Bank Facilities	3.83	'CARE BBB' (Triple B Minus)	Assigned
Short-term Bank Facilities	17.70	'PR3' (PR Three)	Assigned
<b>Total Facilities</b>	<b>21.53</b>		

**Rating Rationale**

The ratings take into account the established presence of the promoters of Astra Lifecare (India) Pvt. Ltd. (ALIPL) in the African pharmaceutical markets with growing number of product registrations in these markets, WHO-GMP certified manufacturing facility, export incentive in the form of Focused Market Scheme (FMS) and entire exports under blanket ECGC coverage. The ratings are constrained on account of short track record of manufacturing operations with relatively small size, geographic concentration of sales in Uganda and Tanzania, competitive nature of generic formulations market, high working capital requirements and high gearing. Geographic diversification into other African markets, increase in product offerings, continuation of export incentive, any future capex and its funding profile, proper management of its working capital cycle and overall improvement in its financial position are the key rating sensitivities.

**Company Profile**

Astra Lifecare (India) Pvt. Ltd. (ALIPL) was incorporated in February 2004 by Mr. Azizali Bhaidani, Mr. Ahmedali Bhaidani & Mr. Shabbir Kassam. FY08 was the first full year of operations of ALIPL. ALIPL's product portfolio consists of generic formulations in tablets & capsule forms, ranging across various therapeutic classes primarily anti-infectives, Non-Steroidal Anti Inflammatory Drugs (NSAIDs), anthelmintics and gastroenterological. ALIPL's unit is a 100% EOU and has WHO-GMP certification. Majority of ALIPL's export is to the African countries.

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

During FY10, ALIPL reported a total turnover of Rs.41.91 crore with PBILDT and PAT of Rs.4.97 crore and Rs.1.91 crore respectively. The overall gearing as on March 31, 2010 was 1.98 times.

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