

Rating Advisory

February 27, 2021 | Mumbai_____

Bliss GVS Pharma Limited

Advisory as on February 27, 2021

This rating advisory is provided in relation to the rating of Bliss GVS Pharma Limited

The key rating sensitivity factors for the rating include:

Upward Factors

- Sustainable reduction in receivables to less than 150 days in Bliss
- Significant improvement in net cash accrual through improved scale of operations, improvement in profitability along with substantial geographical diversification.

Downward Factors

- Decline in scale of operations and profitability resulting in cash accrual below Rs 1.1 million
- Further stretch in working capital cycle
- Deterioration in financial risk profile due to substantial time and/or cost overrun in proposed capital expenditure (capex) or any additional, sizeable debt-funded capex

CRISIL Ratings has a policy of keeping its accepted ratings under constant and ongoing monitoring and review. Accordingly, it seeks regular updates from companies on business and financial performance. CRISIL Ratings is yet to receive adequate information from Bliss GVS Pharma Limited (Bliss) to enable it to undertake a rating review. CRISIL Ratings is taking all possible efforts to get the rated entity to cooperate with its rating process for enabling it to carry out the rating review.

CRISIL Ratings views information availability risk as a key factor in its assessment of credit risk. (Please refer to CRISIL Ratings' criteria available at the following link, https://www.crisil.com/content/dam/crisil/criteria_methodology/basics-of-ratings/assessing-information-adequacy-risk.pdf)

If Bliss continues to delay the provisioning of information required by CRISIL Ratings to undertake a rating review then, in accordance with circulars SEBI/HO/MIRSD/MIRSD4/CIR/P/2016/119 dt Nov 1, 2016, SEBI/HO/MIRSD/MIRSD4/ CIR/ P/ 2017/ 71 dt June 30, 2017 and **SEBI/HO/MIRSD/CRADT/CIR/P/2020/2 dt January 3, 2020** issued by Securities and Exchange Board of India, CRISIL Ratings will carry out the review based on best available information and issue a press release.

About The Company

Incorporated in 1984 and promoted by Mr S N Kamath and Mr Gautam Ashra, Bliss develops and manufactures pharmaceutical formulations mainly for sale in Africa. The company sells formulations in the form of suppositories, pessaries, capsules, tablets, and syrups. It manufactures more than 250 branded formulations in the anti-malarial, anti-fungal, anti-bacterial, anti-biotic, anti-inflammatory, contraceptive, and anti-diabetic segments. Bliss also contract-manufactures suppositories and pessaries for Sanofi, Sun Pharma, Mankind, and Alkem. However, these clients do not have rights for exporting the products. The company has four subsidiaries, Bliss GVS Healthcare Pte Ltd, Kremoint Pharma Pvt Ltd, Asterisk, and BIPL, as well as three step-down subsidiaries.

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Credit Bulletin

March 13, 2020 | Mumbai

Update on Bliss GVS Pharma Limited

On March 03, 2020, a news item appeared in media titled 'Bliss GVS Pharma promoters under SEBI lens for insidertrading'. Subsequently, Bliss GVS Pharma Limited (Bliss) vide a corporate announcement to the stock exchange refuted the allegations made against the company in the news item.

As per the management, while Securities and Exchange Board of India (SEBI) is examining certain transactions and has sought co-operation of certain officials of the company in regards with the same, it has not issued any show cause notice to the company. Further, as per the management, SEBI has been regularly seeking these clarifications with regards to the tenders received in the erstwhile step down subsidiary based in Kenya, subsequent stake sale of the same, and the share price movement, since 2015, till date. These clarifications have been sought by SEBI on regular basis under applicable laws in the interest of investors.

CRISIL has taken note of the news item and Bliss's clarification in this regard. CRISIL will continue to closely monitor for any further developments in this matter that might impact the credit profile of Bliss GVS Pharma Limited and take appropriate need-based rating action, if required.

The ratings continue to reflect the extensive experience of the promoters in the pharmaceuticals industry, the company's established brand, and moderate financial risk profile. The strengths are partially offset by stretched working capital cycle, significant concentration in revenue, and exposure to the African region.

For accessing the previous rating rationale, refer to the following link

Company Name	Link to Rating Rationale
Bliss GVS Pharma Limited	Click here

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Links to related criteria
CRISILs Approach to Financial Ratios
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating criteria for manufacturing and service sector companies
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