

PEL Pharma Inc

October 18, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	296.00* (USD 40 million)	CARE AA (CE) (CWD) [Double A (Credit Enhancement)] (Under Credit watch with Developing Implications)	Continues to be on Credit watch with Developing Implications
Total Bank Facilities	296.00 (Rs. Two Hundred Ninety-Six Crore Only)		

*USD: INR exchange rate – 74

Details of instruments/facilities in Annexure-1

Un Supported Rating	CARE A(Single A) [Reaffirmed]
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*Note : Unsupported Rating does not factor in the explicit credit enhancement***Detailed Rationale & Key Rating Drivers for the credit enhanced debt**

The rating assigned to the bank facilities of PEL Pharma Inc. factors in credit enhancement in the form of unconditional and irrevocable corporate guarantee (CG) extended by Piramal Enterprises Limited (PEL) along with Piramal Healthcare UK Limited, Piramal Healthcare Canada Limited, Ash Stevens LLC, and Piramal Pharma Solutions Inc. The above rating is based on the CARE's view on CG provider's credit profile and business/ financial linkages of PEL Pharma with PEL. The CG primarily states that PEL has extended unconditional and irrevocable guarantee to the entire tenure and amount of FCTL availed by PEL Pharma from State Bank of India (SBI).

Detailed Rationale & Key Rating Drivers of Piramal Enterprises Limited (PEL, Credit Enhancement Provider)

The ratings assigned to debt instruments and bank facilities continues to be on 'Credit Watch with Developing Implications' following the announcement made by PEL, vide its stock exchange notification dated January 22, 2021, that the Committee of Creditors of Dewan Housing Finance Limited (DHFL) has declared Piramal Capital & Housing Finance Limited (PCHFL, wholly-owned subsidiary of PEL) as successful resolution applicant in relation to the Corporate Insolvency Resolution Process of DHFL under the Insolvency & Bankruptcy Code, 2016 and identified the resolution plan submitted by PCHFL as successful resolution plan vide the Letter of Intent (LOI) from the Administrator of DHFL.

Furthermore, as per the notification provided by PEL to the stock exchange notifications dated September 29, 2021 and October 1, 2021, PEL has informed that PCHFL has discharged the consideration to the creditors of DHFL and PCHFL has merged into DHFL with effect from 30th September 2021 under scheme of arrangement provided under the resolution plan subsequent to the approvals from Reserve Bank of India (RBI) and National Company Law Tribunal (NCLT), Mumbai.

Further, the company, vide its intimation to stock exchanges dated October 7, 2021, has informed that its Board of Directors has approved the Scheme of Arrangement to demerge the pharmaceuticals business and merge PHL Fininvest into PEL subject to approval from majority of the shareholders, creditors of the companies, Securities and Exchange Board of India (SEBI), stock exchanges, NCLT and other regulatory authorities as applicable. Furthermore, the management has indicated that in due course of time the corporate guarantee issued by PEL will be replaced with a corporate guarantee from Piramal Pharma Ltd.

CARE has taken note of the updates and continues to engage with the management of the PEL group to obtain a better understanding on this development on the business and financial profile and will resolve the watch once there is enough clarity on the same.

While the transaction will increase the retail asset proportion in PCHFL's loan book, it will also lead to an increase in overall gearing.

The ratings of Piramal Enterprises Limited (PEL), derive strength from established track record of the promoter group in building and scaling up businesses, presence in diversified segments like real estate, healthcare, financial services and glass manufacturing, strong and experienced management team.

The rating positively factors in PEL's adequate financial flexibility being the holding company of the group, demonstrated fund raising/refinancing ability and monetizable investments in entities of Shriram group. The rating also factors in increase in scale of operations and accredited manufacturing facilities with well-equipped R&D facilities across geographies.

¹Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications

The group has demonstrated resource raising ability as PEL (the flagship holding company of the group) has raised nearly Rs.14,500 crore of equity capital during FY20 (refers to period from April 01 to March 31) including fresh equity capital of Rs.5,400 crore, ~Rs.6,750 crore through sale of its healthcare and analytics business and ~Rs.2,300 crore by way of sale of investment in a Shriram group entity. This provides cushion to the PEL's ability to absorb any external shocks in financial services business.

During FY21, PEL transferred its Pharmaceuticals (Pharma) business to its newly formed subsidiary 'Piramal Pharma Limited' (PPL). PPL raised ~Rs.3,500 crore from Carlyle group by diluting its 20% shareholding. These fund raisings have enabled PEL to reduce its leverage on consolidated level (Borrowings reduced by ~Rs.19,000 crore from March 31, 2019). CARE also takes note of PEL's plan to exit from its investment in the Shriram group which will further deleverage its balance sheet and provide comfort.

Further, PEL on a consolidated level has raised long term debt resources to the tune of ~Rs.13,500 crore during FY20 and ~Rs.20,200 crore during FY21, largely from public sector banks in recent times and has been able to refinance the immediate term maturities in view of overall slowdown witnessed in the real estate segment.

The rating strengths are partially constrained by PEL's moderately seasoned loan book and moderation in asset quality as well as significant exposure to the real estate sector (PEL has significant capital employed in financial services subsidiaries) in its financial services segment.

Further, the client concentration in the loan portfolio given the large ticket size of loans to real estate developers continues to remain high. The real estate sector which was already facing challenges in terms of access to funding and slow sales leading to increase in inventory levels was further impacted on account of nation-wide lockdown due to COVID-19 in terms of slower construction due to migrant workers shifting as well as lower demand on the back of fall in economic activity. The sector is expected to see further consolidation over the medium term.

The group has been taking steps to reduce the proportion of wholesale book either by sell down of its exposures, refinance or other measures and has plan to reduce the level and proportion of real estate exposures in the near to medium term and bring in more granularity to the loan book by reducing the borrower concentration. CARE will continue to monitor the progress on the same and would take suitable action if required.

The rating also factors in moderation in profitability during FY20 as the company has made one-time conservative provisioning for expected credit loss on account of Covid-19- and one-time MAT credit reversal and accounting write-off of Deferred Tax Assets (DTA) due to opting of lower tax rate under new tax regime.

The risk aversion in the market continues towards the NBFC / HFC sector in general and wholesale lending focused nonbanking lenders which has seen challenges in resource mobilization in recent times. Therefore, continuous mobilization of resources and maintaining adequate liquidity in the current operating environment in the financial services businesses is a key rating monitorable for PEL. While the collection efficiency of wholesale and retail segment has improved in Q4FY21, it will remain key monitorable going forward.

Going ahead, PEL's ability to continuously mobilize resources at competitive rates, maintaining adequate liquidity and a healthy asset quality in its financial services business in the current operating environment is a key rating monitorable.

Key rating sensitivities of PEL

Positive Factors - Factors that could lead to positive rating action/upgrade:

- Substantial reduction in exposure to real estate segment in overall loan book and single group exposure of consolidated tangible net worth on a sustained basis.
- Gross NPA below 0.5% in the financial services business

Negative Factors - Factors that could lead to negative rating action/downgrade:

- Increase in proportion of real estate loan book of PEL – Financial Services Business on a sustained basis
- Mismatch in asset liability maturities and challenges in raising long term funding
- Deterioration in asset quality with Net NPA/ Networth (of PEL consolidated²) over 10%
- Decline in PBIT margins in pharma segment below 15% on a sustained basis

PEL derives more than 50% of its revenues and profit from Financial services business carried out by its NBFC and HFC subsidiaries. The spread of the COVID-19 pandemic has led to a nation-wide lockdown which is likely to impact the overall growth and collections of NBFCs/HFCs sector. As a result, in CARE's view the credit risk profile of NBFCs/HFCs is expected to deteriorate over the medium term. Liquidity profile, resource raising ability, funding support from parent/group and exposure to vulnerable asset classes and operating profiles in terms of geographies and borrower types would be critical monitorable factors in the NBFCs/HFCs sector.

² PEL consolidated tangible network is Rs.33,087 crore as on March 31, 2021

CARE will continue to assess on the impact on the key business and financial parameters of NBFCs/HFCs sector and shall take appropriate rating actions if needed.

Detailed Rationale& Key Rating Drivers of PEL Pharma (Unsupported Rating)

The rating derives strength from well-established, experienced, and resourceful promoter group, presence in niche product segments, wide spread geographical presence, and moderate financial risk profile. These rating strengths are however tempered by competitive nature of business and relatively small scale of operations on standalone basis.

Key rating sensitivities

Positive factors:

- Improvement in PBILDT margins above 30% on a sustained basis for Restricted Group entities.

Negative factors

- Any significant new borrowing in Restricted Group entities resulting in deterioration of debt coverage indicators
- Decline in strategic importance of pharma business for PEL Group.

Detailed description of the key rating drivers of CE Provider (PEL)

Key Rating Strengths

Strong and resourceful promoters along with experienced management team

PEL is the flagship company of Piramal group spearheaded by Mr. Ajay Piramal (Chairman). The Group is a diversified Indian business house with interests in Financial Services businesses, Pharma (CDMO, Critical Care, OTC), and Healthcare Insights & Analytics segment which was sold off in Q4FY20 for a consideration of US \$950 Million (~Rs.6,750 crore). PEL is one of the major global pharma Contract Development and Manufacturing Organizations (CDMO) and has entire inhalation anaesthetic product portfolio. The Board is ably supported by experienced senior management team heading various verticals with adequate and relevant experience in their respective fields.

Accredited manufacturing facilities with well-equipped R&D facilities across geographies

In October 2020, PEL Group completed 20% stake dilution in PPL to US based CA Alchemy Investments, an affiliated entity of CAP V Mauritius Limited, an investment fund managed by affiliated entities of The Carlyle Group Inc (Carlyle). Consequently, PPL received Rs.3,523 crore towards 20% equity investment from CA Alchemy Investments.

The Piramal Pharma (Piramal Pharma Limited) division has 14 Manufacturing and Development units located across India (7 facilities in India), North America (4 facilities in USA and 1 in Canada), and Europe (2 facilities in UK). It undertakes manufacturing of CDMO and critical care segment inhouse. For consumer healthcare segment the company follows asset light model for better utilization of resources. The manufacturing facilities possess necessary regulatory approvals from agencies across Globe. They are routinely audited to ensure compliance with Current Good Manufacturing Practices (cGMP). The average capacity utilization at consolidated level is around 60%. Till December 31, 2020 company has filed for 10 ANDA of which 6 are approved. The company has successfully cleared 36 USFDA inspections from FY12.

Adequate financial flexibility supported by investments in Shriram group, equity infusion, and comfortable gearing levels

PEL has been raising equity capital and has been providing growth capital to its subsidiaries including Pharma and financial services. During FY20, PEL raised nearly Rs.14,500 crore of capital in the form of 10% stake sale in Shriram Transport of Rs.2,300 crore, Sale of its Healthcare and Analytics business to Clarivate Analytics for Rs.6,750 crore, Rights issue of Rs.3,650 crore including promoter investment of Rs.1,600 crore and further, Rs.1,750 crore by Preferential allotment to CDPQ. Furthermore, to add comfort to capital requirement in Financial Services business, PEL has financial flexibility in terms of its holdings in Shriram Group. Majority of the issuance was further utilized for the purpose of deleveraging.

The group has plans to convert PEL into a holding company which will hold investments into pharma and financial services business in the medium term. As a part of the transformation, the group has transferred its Pharma Business assets from PEL to Piramal Pharma Ltd (PPL), a wholly owned subsidiary of PEL. The group has divested 20% shareholding in PPL to Carlyle Group raising Rs.3,500 crore, valuing the Pharma business at ~2.775 billion USD (~Rs.20,500 crore).

PEL (consolidated) has been raising capital and reducing the leverage over the last two years. The above steps have helped in reducing the consolidated net debt of Piramal Enterprises Limited (PEL) to Rs.30,189 crore (Gross Debt: Rs.39,369 crore) as on March 31, 2021 as against Rs.55,092 crore as on March 31, 2019. The company's consolidated net gearing stood at 0.91 times as on March 31, 2021, as compared to 2.02 times as on March 31, 2019.

On a consolidated basis, PEL has raised significant amount of Debt in FY21 to the tune of Rs.20,115 crore (77% of the Debt raised has long term maturity > 3 years), largely from the public sector banks leading to a positive asset liability profile for financial services business. Further, PEL has financial flexibility in terms of its holdings in Shriram group which they will divest in near term.

Key Rating Weaknesses

Heightened regulatory and pricing risks

PEL (pharma division) has its presence in multiple countries across the world and has 14 manufacturing plants across India, North America, United Kingdom, etc. Considering the nature of the product usage and application, and consequent impacts,

PEL is required to comply with various laws, rules and regulations and operate under strict regulatory environment. Thus, infringement in any of the law, and any significant adverse change in the import/export policy or environmental/regulatory policies in area of operations of the company, can have a serious consequence on the operations of the company. Nevertheless, the company is continuously taking adequate steps to address the regulatory risks. Further, all manufacturing sites of Pharma Solutions continue to successfully clear regulatory audits, conducted by various leading global regulatory agencies. Since start of FY12, the company has cleared 36 USFDA inspections, 234 other regulatory audits and 1,229 customer audits.

Moderation in profitability, largely on account of one time provisioning for expected credit loss on account of Covid-19 and reversal of MAT credit as well DTA write-off under new tax regime

On an overall consolidated level PEL reported Net profit of Rs.21 crore in FY20 as compared to Rs.1,464 crore in FY19, the deterioration in profitability was majorly on account of one-time DTA write-off and MAT credit reversal of Rs.1,758 crore on adoption of the new income tax regime by the Company and some of its Indian subsidiaries, and the one time incremental conservative ECL provision in the Financial Services business of Rs.1,903 crore (or Rs.1,411 Crores, net of taxes) on account of Covid-19. The company reported PAT of Rs.1,413 crore post de-recognition of deferred tax asset of Rs.1,258 crore pursuant to goodwill being taken out of the purview of tax depreciation with effect from April 01, 2020 by the Finance Bill enacted in 2021. Considering the one-time exceptional nature of the de-recognition, the company would have reported a PAT of Rs.2,671 crore on a total revenue of Rs.13,173 crore.

During FY20, the financial services business reported revenue of Rs.7,649 crore as compared to Rs.7,063 crore in FY19, the increase in the revenues, majorly driven by increased yields in the loan portfolio partially offset by reduction in the AUM, contributing 58.53% of the total operating income as compared to 59.44% in FY19. The financial services business reported EBITDA of Rs.355 crore for FY20 as against Rs.2,450.74 crore for FY19. The major reason for subdued performance in financial services business is on account of one-time conservative ECL provision at Rs.1,903 crore during Q4FY20 on account of COVID-19. As a result of this increase in provisions, the total provisions have increased from Rs.947 crore (1.8% of total asset book) as on December 31, 2019, to Rs.2,935 crore (5.8% of total loan book) as on March 31, 2020. Further, the revenues of the financial services business declined in FY21 by 8.05% (Y-o-Y basis) majorly on account of reduction in loan portfolio.

During FY20, the pharma business reported revenue of Rs.5,419 crore as compared to Rs.4,786 crore in FY19, majorly driven by growth across all the segments. Further Pharma business contributed 41.47% to the total operating income in FY20 as compared to 40.28% in FY19. Further, PEL's Pharma business reported EBITDA margins of 26% as compared to 21% in FY19, the improvement in the margins driven by synergies from acquisitions, growth from high margin businesses, strong distribution networks, higher capacity utilization and backward integration of raw materials. Further the pharma business registered revenue of Rs.5,776 in FY21 (refers to period from April 01 to March 31), a 7% growth over Rs.5,419 crore reported in FY20, contributing 45% to PEL's overall revenue, majorly on account of some near-term demand challenges in inhalation anesthesia as surgeries were suspended across many geographies due to concerns related to the pandemic, however, the business showed an improved performance in Q2FY21 and H2FY21 over previous year as lockdown were lifted and demand picked up for products used in surgical procedures. The pharma business reported EBITDA margins of 22.2% as compared to 26.5% in FY20.

On a standalone basis, PEL has reported a profit of Rs.40 crore on a total income of Rs.1,920 crore as against Rs.145 crore on total income of Rs.2,678 crore. The PAT has been impacted by Rs.258 crore because of an exceptional item which consists of transaction cost of pharma business. The revenue has declined due to sale of major line of pharmaceutical business to Piramal Pharma Limited, a subsidiary of the company. The borrowings have also declined by 37% to Rs.6,672 crore, resulting in decline in overall gearing to 0.24x as on March 31, 2021 from 0.46x as on March 31, 2020. The company has total investments of Rs.19,825 crore that largely consists of investments in its subsidiaries and in Shriram Group investments.

Intense competition from both MNCs and Indian companies in India and abroad for Pharmaceutical segment

PEL (pharma division) is present largely in the outsourced (Contract Development & Manufacturing Organisation (CDMO) its pharma solutions business (largest contributor to revenue). The company faces intense competition in the domestic as well as regulated markets that it operates in. Pricing pressure, increasing regulation, increased sensitivity towards product performance are the key issues in the pharmaceutical industry.

Significant sectoral exposure primarily to real estate sector and moderation in asset quality

As on March 31, 2021, real estate loan exposure of PEL constituted 80% of the AUM (~Rs.41,973) as compared to 75% as on March 31, 2020 and 72% as on March 31, 2019., The increase in real estate concentration is largely on account of significant reduction in non-Real estate loan book over past 2 years (CFG and ECL book reducing by nearly half), even as the absolute exposure to Real-Estate decreases albeit at a slower rate due to slow traction in estate exposure sell down deals and prepayment on account of continued slowdown in real estate sector. The overall AUM has reduced by nearly 24% from March 31, 2019 peak as company focused on preserving liquidity and slowed down the disbursement on account of the risk aversion in the system. The disbursements further took a hit during H1FY21 on account of Covid-19 related lockdown and halt in construction. CARE notes that the disbursement have started picking up (largely wholesale segment, to fund the

existing sanctioned projects) in H2FY21 as construction activity resumed and sales picked up for real estate projects.

The continued stress in real estate may pose asset quality challenges going forward. In general, PEL's Real estate loans typically had principal moratorium of 6 months and above (depending on loan-to-loan basis). PEL (Consolidated) has established a strong developer network along with real estate research arm which has benefited the company to invest and exit the exposure at various stages which provides comfort.

The group has plans to reduce the proportion of wholesale lending portfolio while increasing the proportion of retail lending in the medium term. The group has been able to reduce its wholesale exposures by 14% (as compared to September 30, 2020) to ~Rs.37,600 crore as on March 31, 2021. CARE will continue to monitor the same.

On consolidated level financial services business, the company reported Gross NPAs of to 4.5% as on March 31, 2021, up from 2.4% as on March 31, 2020 with Net NPA of 2.4% and Provisioning coverage ratio at 51%. The percentage increase in gross NPAs is partly due to the reduction in the overall loan book. Provisioning coverage ratio (Based on *total provisions / GNPA's*) remain adequate at 139%. While company has adequate provisioning for NPA's as on date, asset quality will remain key monitorable going forward.

During the initial months of Covid-19 induced lockdown, the financial services business saw borrowers opting for moratorium under regulatory relief. Around 67% of the wholesale portfolio and 25% of the retail portfolio were under moratorium as on May, 2020 (moratorium 1) and around 74% of the wholesale portfolio and 25% of the retail portfolio were under moratorium as on August, 2020 (moratorium 2).

The economic slowdown, lower sales/construction/collection by real estate developers during lockdown and moratorium availed by them under regulatory relief package for Covid-19, affected the collections of the company in absolute numbers. While the construction activity has resumed post lifting of lockdown, along with increase in sales in September / October as compared to lockdown months, the sustenance of the same needs to be seen. While the company's scheduled collections had seen a severe decline during April - August period, as significant portion of book had availed 6 month moratorium under regulatory relief package for Covid-19, the company managed to receive some pre-payment from its loan book during April - August.

The company's collection has seen an uptick in H2FY21 with retail and wholesale efficiency improving significantly over previous months, on account of revival in sales and collections of its funded projects but the revival may be hit due lockdown in multiple states during Q1FY22 and it is too early to comment on revival of real estate demand as whole and hence it will be key monitorable going forward.

High client concentration in the lending portfolio

As on March 31, 2021, the loan book of PEL is largely wholesale in nature and has significant borrower concentration. PEL's top 10 group exposures constituted around 31% (March 31, 2020: 33% and March 31, 2019: 34%) of the wholesale AUM as on March 31, 2021 and 43% of tangible net worth as on March 31, 2021. CARE has noted that PEL plans to bring down the top exposures down in near term.

The company is expected to ramp up its housing finance business as well as consumer finance lending products (expected to be launched in H1FY22), which is expected to increase the granularity of the portfolio. The pace of diversification and de-risking of portfolio will remain key monitorable.

Liquidity: Adequate - PEL

PEL on a consolidated level had cash and cash equivalents of ~Rs.9,180 crore as on March 31, 2021 (March 31, 2020: Rs.4,778 crore) as against repayments due of ~Rs.11,000 crore for next twelve months. PEL also has strong financial flexibility being holding company of the group. Further it also has minority stake in Shriram Group which acts as an additional buffer

Analytical approach:

For Unsupported Rating of PEL Pharma Inc: CARE has adopted a standalone approach. Further, financial and operational linkages in the form of loans given by holding company and support in form of technical knowhow have been taken into consideration.

Credit Enhanced Rating: The rating is based on credit enhancement in the form of unconditional and irrevocable CG extended by PEL. For credit enhanced ratings, CARE has applied its criteria on rating of credit enhanced debt.

Applicable Criteria

[Policy on default recognition](#)
[Factoring Linkages Parent Sub JV Group](#)
[Financial Ratios – Non financial Sector](#)
[Rating Credit Enhanced Debt](#)
[Rating Outlook and Credit Watch](#)
[Manufacturing Companies](#)
[Pharmaceutical](#)
[Liquidity Analysis of Non-financial sector entities](#)

About the Company – Piramal Enterprises Limited(Credit enhancement Provider)

Piramal Enterprises Limited (PEL) is part of the Ajay Piramal group of companies with presence in Pharmaceuticals (CRAMS, Critical Care, Over the Counter (OTC), Healthcare Insights & Analytics segment which was divested in H2FY20 and financial services business (through wholly owned subsidiary). The company has presence in more than 100 countries and manufacturing bases in India, UK and North America.

In Pharma, the company operates through an end-to-end manufacturing capabilities across 14 global facilities and a large global distribution network to over 100 countries. PEL has differentiated itself in niche pharma products, critical care and provides an entire pool of integrated pharma services including in the areas of injectable, HPAPIs (High Potency Active Pharmaceutical Ingredients), ADCs (Antibody Drug Conjugates) etc. The pharmaceutical product portfolio of the company can be categorized into contract development and manufacturing organisations (CDMO), complex hospital generics (Critical Care), and consumer healthcare (OTC). Over the years, PEL group has built and scaled up its pharmaceutical business through acquisitions.

In the financial services business, Piramal Capital & Housing Finance Limited (PCFHL), a wholly owned subsidiary of PEL, is registered as housing finance company with National Housing Bank (NHB) and is engaged in wholesale financing to real estate developers and corporate clients [Corporate finance group (CFG) and emerging corporate lending (ECL)], and retail housing loans to individual customers. CFG provides customised funding solutions to companies across sectors such as infrastructure, renewable energy, roads, industrials, auto components etc. while ECL focuses on lending towards Small and Medium Enterprises (SMEs). The company also has incorporated wholly owned subsidiary namely PHL Fininvest Private Limited, which is engaged in lending to real estate developers, corporate clients, and emerging corporates. The said entity was formed to adhere with guidelines stated by regulatory bodies for single entity exposure.

Brief Financials (Rs. crore) – PEL	FY20 (A)	FY21 (A)
Total operating income	13,068	12,809
PBILDT	6,759	7,828
PAT	21	1,413
Overall gearing (times)	1.38	1.19
Interest coverage (times)	1.36	1.86

A: Audited; IND AS

All ratios are as per CARE's calculation

About the company-PEL Pharma

PEL Pharma Inc (PEL Pharma), incorporated on August 26, 2015 in the State of Delaware, is an international holding company and a wholly owned subsidiary of Piramal Dutch Holdings N.V. (owning 90% of the common stock) and Piramal Enterprises Limited ('PEL') (owning 10% of the common stock). PEL Pharma owns Piramal Pharma Solutions Inc. and Ash Stevens LLC as its wholly owned subsidiaries. PEL Pharma (through its subsidiaries) has 3 manufacturing facilities in USA. Ash Stevens LLC offers diverse products in large pharma generics and biotech segment across North America. Piramal Pharma Solutions Inc. is a global CDMO player with niche product profile. It also has presence in nutrition solutions (vitamins + premixes).

Brief Financials (Rs. crore) (Standalone)	FY18 (A)*	FY19 (A)*
Total operating income	4.91	8.41
PBILDT	2.77	7.62
PAT	-19.93	-18.12
Overall gearing (times)	31.55	NM
Interest coverage (times)	0.12	0.30

*Period ended December 31 A-Audited; NM: Not meaningful

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	June, 2025	296.00	CARE AA (CE) (CWD)
Un Supported Rating-Un Supported Rating (Long Term)		-	-	-	0.00	CARE A

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type 2021-2022	Amount Outstanding (Rs. crore) 2021-2022	Rating 2021-2022	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	296.00	CARE AA (CE) (CWD)	-	1)CARE AA (CE) (CWD) (18-Feb-21) 2)CARE AA (CE); Stable (14-Dec-20)	-	-
2	Un Supported Rating-Un Supported Rating (Long Term)	LT	0.00	CARE A	-	1)CARE A (18-Feb-21) 2)CARE A (14-Dec-20)	-	-

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities : Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Term Loan	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

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Disclaimer

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****For detailed Rationale Report and subscription information, please contact us at www.careratings.com**