Cadila Pharmaceuticals Limited

December 28, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating[1]	Rating Action
Long Term Bank Facilities	599.29 (Enhanced from Rs.572.29 crore)	**CARE A+; Stable (Single A Plus; Outlook: Stable)**	**Reaffirmed**
Long Term / Short Term Bank Facilities	360.00	**CARE A+; Stable / CARE A1+ (Single A Plus; Outlook: Stable/ A One Plus)**	**Reaffirmed**
Short Term Bank Facilities	90.00	**CARE A1+ (A One Plus)**	**Reaffirmed**
Long Term / Short Term Bank Facilities #	-	**-**	**Withdrawn**
Total Bank Facilities	**1,049.29 (Rs. One Thousand Forty-Nine Crore and Twenty-Nine Lakh Only)**		

Details of instruments/facilities in Annexure-1

 # Based on 'No Due Certificate (NDC)' received from the bank, the bank guarantee (BG) of Rs.100.13 crore is closed. Taking cognizance of it, CARE Ratings Limited has withdrawn the rating assigned to this BG facility of the company.

Detailed Rationale & Key Rating Drivers

The ratings assigned to the bank facilities of Cadila Pharmaceuticals Limited (CPL) continue to derive strength from its established track record in the domestic pharmaceutical industry aided by its experienced management, strong product portfolio and wide marketing setup. Its well-equipped Research & Development (R&D) facilities which enables it to launch niche and innovative products along with its manufacturing facilities conforming to stipulations of various drug regulatory authorities has also aided in its gradually increasing presence in some of the key regulated export markets. The ratings are also underpinned by the growth in its scale of operations and improvement in its profitability during FY21 (refers to the period from April 01 to March 31) along with its comfortable debt coverage indicators and adequate liquidity.

The long-term rating, however, continues to be constrained due to its moderate revenue concentration towards few brands and therapeutic segments in the domestic market, presence in the price-controlled domestic formulation business along with inherent regulatory risks associated with pharmaceutical industry; and foreign exchange fluctuation risk. The rating further continues to be constrained on account of its high exposure towards its relatively weaker subsidiaries and group companies by way of investments/loans & advances and extension of guarantees including the recent extension of corporate guarantee for the debt availed by its wholly owned foreign subsidiary for the acquisition of a business jet aircraft. The rating also takes cognizance of its moderate capital structure (on adjusted basis i.e. debt including corporate guarantees) and expectation of moderation in its profitability margin during FY22 due to rise in the cost of key starting materials (KSM) and active pharmaceutical ingredients (API) apart from pricing pressures in US market.

Rating Sensitivities

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

- Increase in its total operating income (TOI) to more than Rs.3,000 crore through greater product diversification while maintaining its operating cycle below 90 days; and earning PBILDT margin and ROCE greater than 25% on sustained basis.
- Improvement in its adjusted total debt to PBILDT ratio below 0.75 times and adjusted overall gearing ratio to below 0.50 times on a sustained basis, where 'adjusted' debt includes CPL's standalone debt plus all debt guaranteed by it.
- Exposure (by way of investments and loans & advances) to its various subsidiaries/associates/JVs reduces to below 20% of CPL's standalone tangible net worth (TNW) on a sustained basis.

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

- Increase in adjusted total debt to PBILDT ratio beyond 2.25 times and adjusted overall gearing to beyond 1.50 times on sustained basis.
- Deterioration in PBILDT margin to below 16% on sustained basis.
- Significantly higher than envisaged financial support to its subsidiaries or related parties; and significantly higher than envisaged dividend payout.
- Any large-size predominantly debt-funded capex or acquisition which is presently not envisaged.

[1]Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Detailed description of the key rating drivers

Key Rating Strengths

Long track record of operations along with experienced promoters and professional management: CPL has an operational track record of more than seven decades in the domestic pharmaceutical industry with an established brand 'Cadila'. Dr. Rajiv Modi, Chairman and Managing Director of CPL, is a second-generation promoter. He is well-qualified and holds a degree in B. Tech (Chemical) from IIT Bombay apart from doing his M.Sc. in Biochemical Engineering from University College, London and Ph.D. in Biological Science from the University of Michigan, Ann Arbor, USA. The promoter group has rich experience in the pharmaceutical industry. Further, the promoters of CPL are supported by well-qualified and experienced management personnel across various business verticals.

Established position in the domestic pharmaceutical industry with wide marketing and distribution network: CPL has an established position in the Indian Pharmaceutical Industry with 25th rank in the domestic formulation market with market share of 0.80% as on September 30, 2021 (0.77% market share in September 2020; Source: Company). CPL has a large portfolio of more than 800 products spread across more than 300 brands. Further, two of its brands (Aciloc & Aciloc RD) are among the top 300 domestic formulation brands. CPL's products cover several therapeutic segments. Further, CPL earned nearly 69% of its total formulation sales from top 5 therapeutic segments during FY21 which includes gastroenterology (29%), cardiovascular system (11%), dermatological (11%), anti-Infective (10%) and pain/ analgesics (8%). CPL endeavours to launch most of its new products in the growing chronic therapeutic segments. CPL has one manufacturing facility in Jammu catering to domestic formulation market, one US Food and Drug Administration (USFDA) approved manufacturing facility at Dholka (near Ahmedabad) catering to domestic as well as export markets and two API manufacturing units at Ankleshwar (in Gujarat) catering to domestic and export markets. Further, CPL has a formulation facility in Ethiopia through its subsidiary which caters to the African market. CPL's marketing and distribution network comprises a marketing workforce of over 2,400 medical representatives (MR) and total sales team of around 3,000 personnel spread across India. CPL's large marketing network covers over 2.5 lakh doctors including specialists and over 4,000 stockiest. The per MR productivity of the company gradually improved and stood at Rs.3.37 lakh per month during FY21 as compared to Rs.2.83 lakh per month during FY20. CPL also has over 200 employees located outside India in various regions including Africa, CIS, Japan, Russia and the USA for growing its export business.

Diversified operations with gradually increasing presence in the higher profit margin export markets: CPL is engaged in manufacturing of formulations and APIs for domestic as well export markets. Share of API in CPL's total income remained at 23% during FY21 and 20% during H1FY22. Globally, CPL markets its products in over 100 countries, including regulated markets such as US and Europe through its own marketing and distribution network as well as through alliances with global pharmaceutical companies.

The share of export of its formulations in the total income has increased from 18% in FY20 to 20% in FY21. Share of total exports (formulations and API) in total income has also increased from 38% in FY20 to 42% in FY21. CPL has expanded its reach in the US market which provides a good opportunity for growth. As of September 30, 2021, CPL had filed 32 Abbreviated New Drug Applications (ANDAs) in the US (out of these, 24 ANDAs have been approved). CPL, through its wholly-owned subsidiary Satellite Overseas (Holdings) Limited (SOHL), held 18.66% stake as on March 31, 2021 in Nivagen Pharmaceuticals LLC, USA which is involved in marketing of generic formulations in the North American market and is also involved in research related to developing generic formulations. Further, CPL owns around 29.99% equity stake as on March 31, 2021 in EQL Pharma AB (Sweden) which also markets CPL's products in the Nordic market and is also involved in research related to developing generic formulations.

Established R&D capabilities: CPL has a fully integrated, centralized and multi-disciplinary R&D centre spread over around 1,05,000 square feet, which is recognized by the Department of Science and Technology, Government of India, and is manned by more than 300 scientists. CPL's R&D efforts are directed at New Drug Delivery System (NDDS) and generic product development. The R&D centre of the company is well supported by captive clinical research facility with an installed capacity of around 200 beds. The facility is involved in conducting various types of activities including bio-analytical (BA) & bio-equivalence (BE) studies, Phase-I clinical trials, late phase clinical studies (Phase II & III) and Pharmacovigilance. CPL spends around 3-4% of its TOI on research and development. Further, CPL has entered into collaboration with several European pharmaceutical entities to jointly develop and market innovative as well as generic products. CPL has witnessed healthy growth in its recently launched drug, Sepsivac, which is normally used to treat gram negative sepsis in critical patients. However, 'Sepsivac' was used as a repurposed drug in the treatment of critically ill Covid-19 patients resulting into its healthy sales during H1FY22. CPL has also received approval for launch of 2 innovative novel products for Sepsis and Anti-rabies. Rabies vaccine developed by CPL completes the treatment in three doses compared to five doses required by vaccines presently available in the market. Further, CPL is also in an advanced stage of development of some of the products in diabetic and cardiovascular therapeutic segments having good market and relatively limited competition.

Growing scale of operations with improvement in profitability resulting in comfortable debt coverage indicators: CPL's TOI grew by 13% on y-o-y basis and stood at Rs.2,370 crore during FY21 led by healthy growth of 21% in the export market. The domestic revenue of the company grew by a modest 11% on y-o-y basis largely due to lower prescription-based sales in domestic market in light of Covid-19 pandemic. After witnessing moderation in domestic sales in H1FY21, the company witnessed healthy recovery during H2FY21 with relaxation of lockdown along with opening of doctor's clinics and increase in out-patient footfalls in hospitals. CPL's TOI grew by 13% on y-o-y basis and stood at Rs.1,344 crore during H1FY22 largely backed by steady domestic revenue growth whereas the export revenue witnessed some moderation. The company had hired

experienced professional in its marketing team, realigned its product portfolio and launched several new products in the domestic market during last few years which also led to improvement in the performance of its domestic formulations business.
PBILDT margin of the company improved by 300 bps and stood at a healthy 19.22% during FY21 as compared to 16.21% during FY20 backed by savings in marketing and travelling cost in light of Covid-19 restrictions. Due to improvement in the profitability and cash accruals, the debt coverage indicators marked by Total Debt (incl. guaranteed debt)/ PBILDT also improved and remained comfortable at 1.87 times (P.Y.:2.67 times) and PBILDT interest coverage of 9.60 times in FY21 (P.Y.:4.49 times). The improvement in its profitability and debt coverage indicators during FY21 were largely in line with what was already witnessed during 9MFY21. Further, its total debt (incl. guaranteed debt)/ PBILDT is expected to remain below 2x over FY22-FY24.
The PBILDT margin of the company, however, moderated by around 150 bps to 17.76% during H1FY22 as compared to FY21 largely due to normalization of marketing and selling expenses, increase in raw material prices, higher freight and fuel cost and product pricing pressure in export market. Operating profitability may see some downward pressure in medium term due to continued pricing pressure in export market along with rise in KSM and APIs prices. On a steady-state basis, the company's PBILDT margin is expected to remain at around 17%-18% supported by its healthy operating efficiencies and better product mix.

Industry Outlook: The Indian pharmaceutical industry (IPI) mainly comprises of formulations, API and contract research and manufacturing services (CRAMS) segments. By volume, Indian companies produce about one-fifth of the global generic medicines. The size of the Indian pharmaceuticals market (IPM) is ~USD 45.7 billion (~3,40,000 crore) in FY21. IPM is expected to exhibit growth of ~11% and reach a size of over USD 60 billion (~4,50,000 crore) by end of FY23. Outlook for IPI remains stable in medium to long term backed by growth opportunities in terms of capitalization on major blockbuster drugs coming off-patent paving the way for the entry of generics, especially in the US market, geographical diversification into emerging markets, steady growth of governments' spending on healthcare, increasing awareness and accessibility of healthcare. However, the industry players are facing headwinds in terms of structural reforms by governments, stringent regulation both in the regulated and semi-regulated market, intensification of competition in generic and channel consolidation which has led to pricing pressure to the company together impacting the profitability of the industry players.
In the domestic market, the formulations segment is expected to grow due to the rise in chronic diseases, increasing per capita income, government initiatives like new national health protection scheme & Ayushman Bharat program, improvement in access to healthcare facilities along with growing penetration of health insurance. However, recent regulations of price controls under the DPCO and ban on Fixed Dose Combinations (FDCs) can squeeze the industry growth and profitability. To summarize, the IPI is expected to continue to witness pricing pressure in both exports and domestic markets, but steady volume growth in the domestic market, North American, and African markets would likely offset the decline in realizations, translating into overall revenue growth.

Key Rating Weaknesses
Significant exposure towards subsidiaries/associate entities: CPL has a significant exposure towards its subsidiaries and associate entities in the form of investments/loans & advances and corporate guarantees extended towards financial and performance liabilities of some of its subsidiaries. As on March 31, 2021, CPL had investments in equity/preference shares and had extended loans & advances aggregating around Rs.390 crore to its subsidiaries and associate companies (Rs.350 crore as on March 31, 2020) which stood high at around 48% of its standalone tangible net-worth as of even date. CPL has also issued its corporate guarantee of around Rs.25 crore for the performance bank guarantee limits availed by IRM Energy Private Limited (IRMEPL), of $4.00 million (i.e. rupee equivalent: Rs.29.66 crore; outstanding as on September 30, 2021) in favour of lenders of its wholly owned subsidiary, SOHL, for the debt availed by it for acquisition of minority stake in Nivagen Pharmaceuticals LLC, USA and around Rs.22.50 crore to the lenders of its step-down subsidiary OOO Cadila Russia Limited. Furthermore, CPL has extended a very large corporate guarantee of $36.95 million (i.e. rupee equivalent: Rs.273.96 crore; outstanding as on September 30, 2021) for the debt availed by SOHL for the acquisition of a business jet aircraft by it. According to CPL, due to the outbreak of Covid-19, the availability of commercial flights was restricted apart from sharp increase in the cost of chartered flight. Hence, SOHL (wholly owned subsidiary of CPL) decided to acquire a jet aircraft via its subsidiary for ease of travelling of CPL's promoters and other senior managerial persons for managing its growing overseas business operations. SOHL will give this aircraft on lease to its group company for operations as it has experience in the business of chartering aircrafts. CPL expects to use around 30% to 40% of the available flying hours and rest will be commercially chartered.
Performance of its key subsidiaries/step-down subsidiaries

(Rs. Crore)

Particulars	SOHL*		CPL Ethiopia #		CPL Biologicals Pvt. Ltd. (Standalone)		IRM Energy Private Limited	
	FY20	FY21	FY20	FY21	FY20	FY21	FY20	FY21
Working Results								
TOI	17.01	2.25	62.61	56.27	16.41	4.93	166.13	212.54
PBILDT	14.15	(25.26)	12.98	8.39	8.51	(2.60)	50.18	73.94
PAT	10.38	(4.47)	7.73	0.11	6.37	(4.31)	21.09	35.13
Financial Position								
Tangible Net-worth	537.90	697.51	33.10	30.84	^ (16.60)	^ (20.64)	87.84	131.92
Total Debt	56.56	227.41	0.36	8.36	Nil	Nil	133.79	146.64

**All figures are converted at Rs.100/£, # All figures are converted at Rs.1.82/Birr., ^ excluding preference shares*

IRMEPL is a special purpose vehicle promoted by CPL for venturing into City Gas Distribution (CGD) business. CPL along with IRM Trust holds 70% equity stake in IRMEPL. CPL invested around Rs.55 crore in IRMEPL towards its equity commitment in the project. However, IRMEPL is now generating adequate cash-flows and is expected to meet its capex requirement and debt servicing from its internal accruals and CPL is not envisaged to extend any major support to it.
CPL Biologicals Pvt. Ltd. (CPL Bio) is a joint venture between CPL and US-based Novavax Inc, whereby the majority stake (80%) is being held by CPL and the rest is being held by Novavax Inc. As a part of the agreement, Novavax provided vaccine technology while CPL was required to invest around Rs.40 crore in CPL Bio in a gradual manner. CPL has completed its investment obligation and does not envisage any further investment in CPL Bio. CPL will reimburse R&D expenses to CPL Bio and will own all Intellectual property (IP) rights of products being developed by CPL Bio.
Cadila Pharmaceuticals (Ethiopia) Plc. (Cadila Ethiopia) operates a formulation manufacturing facility in Ethiopia for catering the demand of formulations in African markets. CPL holds 62.50% equity stake in the company. CPL does not envisage any investments in Cadila Ethiopia as its cash accruals are enough to meet its capex and working capital requirement.
SOHL is an overseas investment arm of CPL through which CPL has investments in several pharmaceutical/non-pharmaceutical entities and real-estate across US and Europe. SOHL's capital base increased and remained healthy at around £69.75 million as on March 31, 2021 (around Rs.698 crore) as compared to £53.79 million as on March 31, 2020 (around Rs.538 crore) primarily due to fair valuation of some of its investments in light of increase in their market value. Going forward, CPL is expected to invest aggregate amount of nearly Rs.300 crore in its subsidiaries during FY22 to FY24 for the servicing of the term-debt guaranteed by it and for meeting its equity commitment for various projects under its subsidiaries to be incurred in Dahej, Udaipur and Uzbekistan. CPL's exposure to its subsidiaries/associates as above and its obligation to provide need-based support to them constrain the credit quality of CPL. Restricting its exposure to such entities within envisaged level and generating commensurate returns from such investments would be critical for CPL's credit quality going forward.

Debt-funded capex plans: Envisaging higher demand for its products, CPL has plans to incur capex of nearly Rs.400 crore on a standalone basis during FY22 to FY24 for the up-gradation and maintenance of its existing plants. The said capex is expected to be funded through term-debt drawl of around Rs.265 crore and rest will be funded through internal accruals. CPL is also planning to set-up a new API manufacturing facility at Dahej, Gujarat (it already got allotment of land in Dahej) and new formulation facility at Udaipur (it already owns a land in Udaipur) under its wholly owned subsidiary i.e. CPL Pharmaceuticals Private Limited. CPL has already started the implementation of project for setting up API manufacturing plant at Dahej and expected to complete the same by end of FY23.
Further, CPL is planning to set-up a manufacturing facility in Uzbekistan to cater the local market. The proposed capex will be of around Rs.100 crore to be funded in debt/equity ratio of 70:30. The project will be undertaken under CPL's subsidiary. As strongly articulated by the company's management, CPL has no plans to extend any further corporate guarantee for any debt availed/to be availed by its subsidiary. However, CPL's moral obligation remains under the parent-subsidiary relationship.

Moderate leverage: Capital structure of CPL marked by adjusted overall gearing stood at a moderate level of 1.05 times as on March 31, 2021 which was largely on envisaged lines. Total debt of the company (including guaranteed debt) stood high at Rs.935 crore as on September 30, 2021 (Rs.910 crore as on March 31, 2020) primarily due to recent extention of corporate gurantee to the lenders of SOHL for the acquisition of the business jet aircraft. Despite envisaged drawal of term debt for its various planned capex, CPL's adjusted overall gearing is expected to remain at around 0.60-0.70 times by March 31, 2023 due to accretion of profit to reserves along with scheduled repayment of term debt.

Moderate revenue concentration towards few brands in the domestic formulation market: Sales of the top 10 brands contributed around 60% of CPL's domestic formulation sales during FY21 and during H1FY22. Among its top 10 brands, two brands, viz. Aciloc and Aciloc RD contributed around 28% of domestic formulation sales which underline moderate revenue concentration. Further, sales of one API product contributed around 46% of its total API sales during FY21 and 48% during H1FY22 which also reflects revenue concentration. Significant dependence on few products makes CPL's operations susceptible to any unforeseen regulatory actions.

Exposure to inherent regulatory risk: CPL is exposed to inherent regulatory risk since the players in the pharmaceutical industry need to manufacture products that meet the set quality standards of various drug regulators. Good manufacturing practice (GMP) is to be followed for the control and management of manufacturing and quality control testing of drugs. The government also controls the prices of pharmaceutical products through the Drug Price Control Order (DPCO). Around 200 products of CPL are covered under DPCO which contributed around 34% of its domestic formulation sales, restricting its pricing flexibility. Further, the pharmaceutical industry is highly regulated in many other jurisdictions and requires various approvals, licenses, registrations and permissions for business activities. Each authority has their own requirements and these authorities could delay or refuse to grant approval, even when the product has already been approved in another country. The approval process for a new product registration is complex, lengthy and expensive. The time taken to obtain approval varies by country but generally takes from six months to several years from the date of application. Any delay or failure in getting approval for a new product launch could adversely affect the business prospects of the company. Given India's significant share in the US's generic market, the USFDA has increased its scrutiny of manufacturing facilities and other regulatory compliances of the Indian Pharma companies supplying generic drugs to the US. Non-compliance may result in a regulatory ban on products/facilities (as in the recent cases of import alerts issued by the USFDA to top Indian Pharma companies) and may impact a company's future approvals from USFDA. However, CPL has Establishment Inspection Report (EIR) in place for its Dholka manufacturing facility. Further, its Ankleshwar API manufacturing facility was inspected by USFDA in August 2019 and was cleared without any observations.

Foreign exchange fluctuation risk: CPL derives around 40% of its total income from exports. CPL hedges half of its foreign currency exposure and keeps the other half unhedged. Hence, its profitability is susceptible to any adverse movement in the foreign exchange rates. Further, CPL has given a corporate guarantee in respect of USD denominated term debt availed by SOHL. SOHL does not have any significant operating cash flows and CPL could be required to support SOHL for its term debt servicing, which further increases its exposure to foreign exchange risk.

Liquidity: Adequate
Liquidity of the company is supported by healthy gross cash accruals of Rs.249 crore and cash flow from operations of Rs.370 crore during F21. Further, the company is expecting to earn a cash accrual of nearly Rs.300 crore during FY22 and Rs.350 crore during FY23 as against the scheduled term debt repayment obligation of Rs.154 crore (incl. repayment of guaranteed debt of Rs.33 crore) and Rs.175 crore (incl. repayment of guaranteed debt of Rs.40 crore) over the same period providing adequate cushion to debt servicing. It also derives financial flexibility by virtue of good market value of SOHL's investments in various listed equities. Moreover, the average utilization of its working capital limits remained moderate at 52% during the last 12 months ended September 2021 which also provides cushion to its liquidity. Furthermore, current ratio improved and stood modest at 1.10 times as on March 31, 2021 compared to 0.99 times as on March 31, 2020.
Exports sales generally entails higher operating cycle compared with the domestic sales. Despite increase of share of exports in CPL's total sales, CPL's operating cycle improved to 72 days during FY21 compared with 77 days in FY20 and 82 days in FY19 backed by better inventory and receivable management.

Analytical approach: Standalone along with factoring investment requirement in group companies and subsidiaries as well as contingent liability towards corporate guarantee extended for debt availed by group entities.
For arriving at the ratings of CPL, CARE Ratings Ltd (CARE) has considered its standalone business and financial profile. Along with this, CARE has also appropriately factored in CPL's exposure towards corporate guarantee extended by it in favour of lenders of SOHL, OOO Cadila Pharmaceuticals (Russia) Ltd and IRMEPL. Furthermore, CPL's committed investments towards its various subsidiaries and group companies have also been suitably factored in for arriving at the ratings of CPL.

Applicable Criteria
Criteria on assigning 'outlook' and 'credit watch' to credit ratings
CARE's Policy on Default Recognition
Criteria for Short Term Instruments
Rating Methodology – Pharmaceutical Sector
CARE's methodology for manufacturing companies
Factoring Linkages Parent Sub JV Group
Financial ratios – Non-Financial Sector
Liquidity analysis of non-financial sector entities
Policy on Withdrawal of ratings

About the company
Cadila Laboratories Limited was founded by late Mr. Indravadan Modi and Mr. Ramanbhai Patel in 1951. Subsequently, in 1995, it was divided into two companies namely Cadila Healthcare Limited, led by the Patel family and Cadila Pharmaceuticals Limited (CPL), led by the Modi family.
CPL manufactures both formulations and API drugs for more than 45 therapeutic segments. The company has two API manufacturing facilities located at Ankleshwar (Gujarat), one formulation facility at Dholka (Gujarat) which is USFDA approved and one formulation facility at Samba (Jammu). CPL also has a state-of-the-art R&D center at Dholka and has formulation facilities in Ethiopia through its 62.50% Joint Venture (JV) with local Ethiopian partner. The company exports its products to various countries through its marketing set up in USA, Japan, UK, Africa and Russia. CPL's wholly owned direct foreign subsidiary, Satellite Overseas Holdings Limited (SOHL), acts as an overseas investment arm of CPL. Further, CPL has also invested into city gas distribution (CGD) business through its another subsidiary IRM Energy Private Limited (IRMEPL) in which CPL along with its promoter group holds around 70% equity share capital.

Brief Standalone Financials of CPL (Rs. crore)	FY20 (A)	FY21 (A)	H1FY22 (UA)
Total operating income	2,104	2,370	1,344
PBILDT	341	456	239
PAT	164	253	138
Overall gearing (times)	1.48	0.75	0.66
*Adj. Overall gearing (times)**	*1.61*	*1.05*	*1.01*
PBILDT Interest coverage (times)	4.49	9.60	13.22

*A: Audited, UA: Unaudited, *Adjusted Total debt includes corporate guarantees issued by CPL for the debt availed by its subsidiaries.*
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: Not Applicable
Complexity level of various instruments rated for this Company-Annexure 3

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
Non-fund-based - ST-BG/LC	-	-	-	-	90.00	CARE A1+
Term Loan-Long Term	-	-	-	March 2029	599.29	CARE A+; Stable
Fund-based - LT/ ST-CC/PC/Bill Discounting	-	-	-	-	360.00	CARE A+; Stable / CARE A1+
Non-fund-based - LT/ ST-Bank Guarantees	-	-	-	-	0.00	Withdrawn

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	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	Non-fund-based - ST-BG/LC	ST	90.00	CARE A1+	-	1)CARE A1+ (11-Feb-21)	1)CARE A1 (28-Nov-19)	1)CARE A1 (18-Mar-19)
2	Term Loan-Long Term	LT	599.29	CARE A+; Stable	-	1)CARE A+; Stable (11-Feb-21)	1)CARE A; Stable (28-Nov-19)	1)CARE A; Stable (18-Mar-19)
3	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST*	360.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (11-Feb-21)	1)CARE A; Stable / CARE A1 (28-Nov-19)	1)CARE A; Stable / CARE A1 (18-Mar-19)
4	Non-fund-based - LT/ ST-Bank Guarantees	LT/ST*	-	Withdrawn	-	1)CARE A+; Stable / CARE A1+ (11-Feb-21)	1)CARE A; Stable / CARE A1 (28-Nov-19)	1)CARE A; Stable / CARE A1 (18-Mar-19)

** Long Term / Short Term*

Annexure 3: Complexity level of various instruments rated for this Company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
2	Non-fund-based - LT/ ST-Bank Guarantees	Simple
3	Non-fund-based - ST-BG/LC	Simple
4	Term Loan-Long Term	Simple

Annexure 4: Bank Lender Details for this Company – Not Applicable

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

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About CARE Ratings Limited:
Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.
With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

****For detailed Rationale Report and subscription information, please contact us at www.careedge.in**