Biological E. Limited

June 30, 2020

Ratings

Facilities	Amount (Rs. crore)	Rating1	Rating Action
Long term Bank Facilities	-	-	Revised to CARE A-; stable; Issuer Not Cooperating from CARE A; Stable; Issuer Not Cooperating and Withdrawn
Long term/Short term Bank Facilities	-	-	Revised to CARE A-; stable/CARE A2+; Issuer Not Cooperating from CARE A; Stable/CARE A1; Issuer Not Cooperating and Withdrawn
Total Facilities	-		

Details of instruments/facilities in Annexure-1

Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers

CARE has revised and withdrawn the outstanding ratings of 'CARE A-; Stable/CARE A2+' [Single A Minus; Outlook: Stable/ A Two Plus] assigned to the bank facilities of Biological E. Ltd. with immediate effect. The above action has been taken at the request of Biological E. Ltd. and 'No Objection Certificate' received from the banks that have extended the facilities rated by CARE.

The ratings have been revised on account of significant increase in capital work in progress during FY19 indicating that the company has undertaken a major capex whose details are unavailable with CARE. The operating cycle of the company remains stretched during FY19 due to elongated receivables. Furthermore, CARE does not have various operational and financial performance details of the company for FY20 and views information availability risk as a key factor in its assessment of credit risk.

Analytical approach: Standalone

Applicable Criteria:

Policy on Withdrawal of ratings
Policy in respect of Non-cooperation by issuer
Criteria on assigning Rating Outlook
CARE's Policy on Default Recognition
Criteria for Short Term Instruments
Rating Methodology-Manufacturing Companies
Financial ratios – Non-Financial Sector
Rating Methodology- Pharmaceutical Sector

About the Company

Biological E Limited (BEL) was incorporated in 1953 as Biological Products Pvt Ltd. The company was founded by late Dr. D.V.K.Raju along with Dr. G.A.N. Raju. In 1964, Evans Medicals, a UK based pharma company which later got merged with Glaxo SmithKline (GSK) acquired 40% stake in the company, which was subsequently bought back by the present promoters, Dr Vijay Kumar Datla and relatives. The company is wholly owned by promoters and relatives. The day to day operations of the company are looked after by Dr. Mahima Datla (daughter of Dr.Vijay Kumar Datla, former CMD). BEL acts as a representative of the Developing Country Vaccine Industry on the board of GAVI Alliance (formerly Global Alliance for Vaccine and Immunisation). BEL is into manufacturing of vaccines (combination vaccine) especially pediatric vaccines, formulations and active pharmaceutical ingredients (API). BEL was the first company in India to manufacture critical vaccines such as Anti-TB drugs, Heparin etc. Headquartered in Hyderabad, the company has five manufacturing facilities in India, of which four are located in and around Hyderabad and one is located at Dehradun in Uttarakhand. Vaccine manufacturing units located at Gaganpahad and Shameerpet are pre-qualified by World Health Organization (WHO) for production and supply of TT (Tetanus Toxoid), DTP (Diphtheria, Tetanus, and Pertussis Vaccine), Hep-B, Pentavalent and Japanese Encephalitis Vaccines.

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

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	803.74	943.64
PBILDT	66.67	139.38
PAT	22.32	77.81
Overall gearing (times)	0.19	0.41
Interest coverage (times)	8.17	8.10

A: Audited

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-BG/LC	-	-	-	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 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE A; Stable; ISSUER NOT COOPERATING* (01-Jul-19)	-	1)CARE AA-; Stable; ISSUER NOT COOPERATING* (22-Mar-18) 2)CARE AA-; Stable (25-Apr-17)
2.	Non-fund-based - LT/ ST-BG/LC	LT/ST	-	-	-	1)CARE A; Stable / CARE A1; ISSUER NOT COOPERATING* (01-Jul-19)	-	1)CARE AA-; Stable / CARE A1+; ISSUER NOT COOPERATING* (22-Mar-18) 2)CARE AA-; Stable / CARE A1+ (25-Apr-17)

**Issuer did not cooperate; Based on best available information*

Note on complexity levels of the rated instrument: *CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. 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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