

## Neuland Laboratories Limited

April 28, 2020

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities	-	-	Reaffirmed at CARE BBB+; Stable (Triple B Plus; Outlook: Stable) and withdrawn
Short-term Bank Facilities	-	-	Reaffirmed at CARE A3+ (A Three Plus) and withdrawn
<b>Total Facilities</b>	-		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE has reaffirmed and withdrawn the outstanding ratings of 'CARE BBB+; Stable/CARE A3+' [Triple B Plus; Outlook: Stable/A Three Plus] assigned to the bank facilities of Neuland Laboratories Ltd. with immediate effect. The above action has been taken at the request of Neuland Laboratories Ltd. and 'No Objection Certificate' received from the banks that have extended the facilities rated by CARE.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

[Criteria on assigning Outlook to Credit Ratings](#)

[CARE's Policy on Default Recognition](#)

[Financial ratios – Non-Financial Sector](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology-Manufacturing Companies](#)

[Rating Methodology - Pharmaceutical Sector](#)

### About the Company

Neuland Laboratories Ltd (NLL) was set up as a private limited company in 1984 by Dr. D R Rao and Mr. G V K Rama Rao and it was reconstituted as a public limited company, with the current name, in 1994. NLL is primarily into manufacturing of active pharmaceutical ingredients for global pharmaceutical companies and also provides end-to-end solutions for the pharmaceutical industry for chemistry-related services from synthesis of library compounds to supply of New Chemical Entities (NCEs) and intermediates at various clinical phases up to commercial scale. NLL has three manufacturing facilities in and around Hyderabad, Telangana with total installed capacity of 729.70 Kilo Litre as on March 31, 2019 (222.50 KL in unit I, 310.20 KL in unit II and 197 KL in Unit III). The manufacturing facilities are compliant with health and regulatory agencies cGMP certifications namely, FDA (USA), Canada (HC), PMDA (Japan), KFDA (Korea), EU (EMA), EDQM (COS), ANVISA (Brazil) and others. This apart, the company also provides Custom Manufacturing Solutions (CMS) to develop and manufacture pharmaceutical ingredients and intermediates in line with customer expectations. The company has portfolio of around 50 products with presence in 25 therapeutic segments including Antibacterial, Antidepressant, Bronchodilator, Anticonvulsant, Antipsychotics, Antiparkinsonian, Antihypertensive and Anatomical.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	529.17	666.83
PBILDT	52.36	61.62
PAT	12.06	16.44
Overall gearing (times)	1.26	0.61
Interest coverage (times)	2.77	3.93

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

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

**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
Term Loan-Long Term	-	-	-	0.00	Withdrawn
Fund-based - LT-Working Capital Limits	-	-	-	0.00	Withdrawn
Non-fund-based - ST-BG/LC	-	-	-	0.00	Withdrawn
Non-fund-based - ST-Forward Contract	-	-	-	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.	Term Loan-Long Term	LT	-	-	-	1)CARE BBB+; Stable (02-Aug-19)	1)CARE BBB+; Negative (30-Jan-19)	1)CARE BBB+; Stable (27-Feb-18) 2)CARE BBB+; Stable (07-Feb-18) 3)CARE BBB+; Stable (11-Apr-17)
2.	Fund-based - LT-Working Capital Limits	LT	-	-	-	1)CARE BBB+; Stable (02-Aug-19)	1)CARE BBB+; Negative (30-Jan-19)	1)CARE BBB+; Stable (27-Feb-18) 2)CARE BBB+; Stable (07-Feb-18) 3)CARE BBB+; Stable (11-Apr-17)
3.	Non-fund-based - ST-BG/LC	ST	-	-	-	1)CARE A3+ (02-Aug-19)	1)CARE A3+ (30-Jan-19)	1)CARE A3+ (27-Feb-18) 2)CARE A3+ (07-Feb-18) 3)CARE A3+ (11-Apr-17)
4.	Non-fund-based - ST-Forward Contract	ST	-	-	-	1)CARE A3+ (02-Aug-19)	1)CARE A3+ (30-Jan-19)	1)CARE A3+ (27-Feb-18) 2)CARE A3+ (07-Feb-18) 3)CARE A3+ (11-Apr-17)

**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](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

## Contact us

### Media Contact

Name-Mradul Mishra  
Contact no. – +91-22-6837 4424  
Email ID – mradul.mishra@careratings.com

### Analyst Contact

Group Head Name – D Naveen Kumar  
Group Head Contact no-040-67937416  
Group Head Email ID - dnaveen.kumar@careratings.com

### Relationship Contact

Name: Ramesh Bob  
Contact no. : +91 90520 00521  
Email ID: ramesh.bob@careratings.com

### About CARE Ratings:

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### Disclaimer

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