

## Panacea Biotec Limited

December 30, 2019

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long term Bank Facilities	-	-	Withdrawn
Short term Bank Facilities	-	-	Withdrawn

*Details of facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE has withdrawn the rating(s) assigned to the Bank facilities of Panacea Biotec Ltd. with immediate effect, as the company has repaid the aforementioned term loan in full and there is no amount outstanding under the facility as on date.

**Analytical approach:** Not Applicable

### Applicable Criteria

[Policy on Withdrawal of ratings](#)

### About the Company

Panacea Biotec Limited (PBL) was incorporated in February, 1984 under the name of Panacea Drugs Private Limited (PDPL). In September 1993, it was converted into a public limited company and its name was changed to the present one. PBL is promoted by the Jain family headed by Mr. Soshil Kumar Jain and is one of the leading biotechnology companies in India.

Till FY19, PBL was involved in manufacturing of vaccines and pharmaceutical formulations with manufacturing facilities in Baddi, Himachal Pradesh (operational since 2006) and Lalru, Punjab (Operational since 2008). However, as part of the business reorganization, the Board of Directors have approved transfer of pharmaceutical formulations business including related research and development activities and herbal extraction activities (Pharma business) to Panacea Biotec Pharma Limited (PBPL; wholly owned subsidiary).

To implement the above divestiture, the Company has executed a Business Transfer Agreement (BTA) with PBPL to transfer Pharma business to PBPL, together with all tangible assets (except R&D center and herbal extraction facility at Lalru), intangible assets and related liabilities, in relation to the pharmaceutical formulations business including pharmaceutical formulations facility at Baddi, Himachal Pradesh through slump sale.

Brief Financials (Rs. crore)	FY18 (A)	FY19 (A)
Total operating income	596.49	459.18
PBILDT	88.23	-72.95
PAT	-76.00	37.67
Overall gearing (times)	3.28	1.96
Interest coverage (times)	0.88	NM

*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-Term Loan	-	-	-	0.00	Withdrawn

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

## 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 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018	Date(s) & Rating(s) assigned in 2016-2017
1.	Fund-based - LT-Cash Credit	LT	-	-	1)Withdrawn (17-Oct-19) 2)CARE A- (Under Credit watch with Developing Implications) (04-Oct-19) 3)CARE A+; Stable (05-Apr-19)	1)CARE AA-; Negative (25-Jun-18)	1)CARE AA-; Stable (09-Mar-18)	1)CARE A+; Stable (27-Mar-17)
2.	Non-fund-based - LT/ST-BG/LC	LT/ST	-	-	1)Withdrawn (04-Oct-19) 2)CARE A+; Stable / CARE A1 (05-Apr-19)	1)CARE AA-; Negative / CARE A1+ (25-Jun-18)	1)CARE AA-; Stable / CARE A1+ (09-Mar-18)	1)CARE A+; Stable / CARE A1 (27-Mar-17)
3.	Commercial Paper	ST	-	-	-	-	1)Withdrawn (06-Mar-18)	1)CARE A1 (27-Mar-17)
4.	Fund-based - LT-Term Loan	LT	-	-	1)CARE A- (Under Credit watch with Developing Implications) (17-Oct-19) 2)CARE A- (Under Credit watch with Developing Implications) (04-Oct-19) 3)CARE A+; Stable (05-Apr-19)	1)CARE AA-; Negative (25-Jun-18)	1)CARE AA-; Stable (09-Mar-18)	-
5.	Fund-based - ST-Working Capital Demand loan	ST	-	-	1)Withdrawn (17-Oct-19) 2)CARE A2+ (Under Credit watch with Developing Implications) (04-Oct-19) 3)CARE A1 (05-Apr-19)	1)CARE A1+ (25-Jun-18)	1)CARE A1+ (09-Mar-18)	-
6.	Fund-based - LT/ ST-Working Capital Limits	LT/ST	-	-	1)Withdrawn (17-Oct-19) 2)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (04-Oct-19) 3)CARE A+; Stable / CARE A1 (05-Apr-19)	1)CARE AA-; Negative / CARE A1+ (25-Jun-18)	1)CARE AA-; Stable / CARE A1+ (09-Mar-18)	-

**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

Mradul Mishra

Contact no. – +91-22-6837 4424

Email ID – [mradul.mishra@careratings.com](mailto:mradul.mishra@careratings.com)

#### Analyst Contact

Group Head Name – Mr Nitesh Ranjan

Group Head Contact no. - +91-11-4533 3239

Group Head Email ID- [nitesh.ranjan@careratings.com](mailto:nitesh.ranjan@careratings.com)

#### Relationship Contact

Name: Swati Agrawal

Contact no. : +91-11-4533 3201

Email ID : [swati.agrawal@careratings.com](mailto:swati.agrawal@careratings.com)

#### About CARE Ratings:

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