

## Suven Life Sciences Limited

December 31, 2019

### Ratings

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long-term Bank Facilities - Term Loan	-	-	Withdrawn
Long-Term Bank Facilities – Fund based	-	-	Reaffirmed at CARE A [Single A] (Credit watch with developing implications) and Withdrawn
Short term bank facilities - Fund Based	-	-	Reaffirmed at CARE A1 [A One] (Credit watch with Developing Implications) and Withdrawn
Short term bank facilities - Non Fund based	-	-	Reaffirmed at CARE A1 [A One] (Credit watch with Developing Implications) and Withdrawn
<b>Total Facilities</b>	-		

*Details of facilities in Annexure-1*

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

CARE has reaffirmed and withdrawn the outstanding ratings of 'CARE A / CARE A1 [Single A/ A One] (Credit watch with Developing Implications)' assigned to the bank facilities of Suven Life Sciences Limited (Suven) with immediate effect. The above action has been taken at the request of Suven 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' and 'credit watch' to Credit Ratings](#)

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

[Rating Methodology: Factoring Linkages in Ratings](#)

[Criteria for Short Term Instruments](#)

[Rating Methodology-Manufacturing Companies](#)

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

[Rating Methodology- Pharmaceutical Sector](#)

### About the Company

Suven Life Sciences Limited (Suven), incorporated in March 1989, by Mr. Venkateshwarlu Jasti, is a pharmaceutical research company which is primarily engaged in the business of New Chemical Entity (NCE) based Contract Research and Manufacturing Services (CRAMS) and Drug Discovery and Development Support Services (DDDSS). Suven expertise in process research, custom synthesis and NCE development support services. Around 92% of the company's revenue is derived from CRAMS while the balance 8% is from DDDSS during FY19. Further, the company is also focused on research and development of (NCEs) pertaining to Central Nervous System (CNS) disorders like Alzheimer's, Schizophrenia, Depression etc.

The total operating income of the company at consolidated level improved by 6% during FY19 and stood at Rs. 666.77 crore during FY19 as against Rs. 630.35 crore during FY18. At consolidated level, PBILDT margin declined by 770 bps from 24.55% during FY18 to 32.25% during FY19. The decline in PBILDT level of the company at consolidated level was primarily due to increase in R&D cost during the year.

**Status of non-cooperation with previous CRA:** NA

**Any other information:** NA

**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
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	6.00	Withdrawn
Fund-based - LT-EPC/PSC	-	-	-	25.00	Withdrawn
Fund-based - ST-Standby Line of Credit	-	-	-	5.00	Withdrawn
Non-fund-based - ST-Bank Guarantees	-	-	-	2.50	Withdrawn
Non-fund-based - ST-Letter of credit	-	-	-	20.00	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 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-Term Loan	LT	-	-	1)CARE A (Under Credit watch with Developing Implications) (02-May-19)	1)CARE A; Stable (28-Sep-18)	1)CARE A-; Stable (04-Sep-17)	1)CARE A- (05-Aug-16)
2.	Fund-based - LT-Cash Credit	LT	-	-	1)CARE A (Under Credit watch with Developing Implications) (02-May-19)	1)CARE A; Stable (28-Sep-18)	1)CARE A-; Stable (04-Sep-17)	1)CARE A- (05-Aug-16)
3.	Fund-based - LT-EPC/PSC	LT	-	-	1)CARE A (Under Credit watch with Developing Implications) (02-May-19)	1)CARE A; Stable (28-Sep-18)	1)CARE A-; Stable (04-Sep-17)	1)CARE A- (05-Aug-16)
4.	Fund-based - ST-Standby Line of Credit	ST	-	-	1)CARE A1 (Under Credit watch with Developing Implications) (02-May-19)	1)CARE A1 (28-Sep-18)	1)CARE A2+ (04-Sep-17)	1)CARE A2+ (05-Aug-16)
5.	Non-fund-based - ST-Bank Guarantees	ST	-	-	1)CARE A1 (Under Credit watch with Developing Implications) (02-May-19)	1)CARE A1 (28-Sep-18)	1)CARE A2+ (04-Sep-17)	1)CARE A2+ (05-Aug-16)
6.	Non-fund-based - ST-Letter of credit	ST	-	-	1)CARE A1 (Under Credit watch with Developing Implications) (02-May-19)	1)CARE A1 (28-Sep-18)	1)CARE A2+ (04-Sep-17)	1)CARE A2+ (05-Aug-16)
7.	Fund-based - LT-External Commercial Borrowings	LT	-	-	-	1)Withdrawn (28-Sep-18)	1)CARE A-; Stable (04-Sep-17)	1)CARE A- (05-Aug-16)

**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.

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### About CARE Ratings:

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**