

July 12, 2024

## Sri Krishna Pharmaceuticals Ltd.: Change in limits

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Term loan	56.51	56.51	[ICRA]BBB+ (Stable); outstanding
Long-term – Fund-based working capital facilities	208.00	168.00	[ICRA]BBB+ (Stable); outstanding
Long Term/Short Term – Fund-based working capital facilities	-	40.00	[ICRA]BBB+ (Stable)/[ICRA]A2; outstanding
Long-term/short-term - non-fund based working capital facilities <sup>#</sup>	(109.00)	(109.00)	[ICRA]BBB+ (Stable)/[ICRA]A2; outstanding
Long-term/short-term-Unallocated Limits	9.99	9.99	[ICRA]BBB+ (Stable)/[ICRA]A2; outstanding
<b>Total</b>	<b>274.50</b>	<b>274.50</b>	

\*Instrument details are provided in Annexure-I #sub-limit of Fund Based Working Capital Facilities

### Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from Sri Krishna Pharmaceuticals Ltd.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, the liquidity position and rating sensitivities, and key financial indicators: [Click Here](#)

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Pharmaceuticals</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

### About the company

Sri Krishna Pharmaceuticals Ltd., promoted in 1974 by Dr. V. V. Subba Reddy and family, manufactures bulk drugs and Directly Compressible (DC) granules. At present, the company has five manufacturing units, including four based in and around Hyderabad (Uppal, Nacharam, Bollaram and Shamshabad) and one in Solapur, Maharashtra. SKPL's key products include Paracetamol API as well as formulations, folic acid and domperidone.

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

**Any other information: None**

## Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2025)		Date & rating in FY2024	Chronology of rating history for the past 3 years		
			Date & rating in FY2025			Date & rating in FY2023		Date & rating in FY2022
			Jul 12, 2024	Jun 28, 2024		Mar 20, 2023	Oct 31, 2022	Jul 14, 2021
1 Term loans	Long-term	56.51	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]A- (Stable)
2 Fund-based working capital facilities	Long-term	168.00	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	-	[ICRA]BBB+ (Stable)	[ICRA]BBB+ (Stable)	[ICRA]A- (Stable)
3 Non-fund-based working capital facilities	Short-term	-	-	-	-	[ICRA]A2	[ICRA]A2	[ICRA]A2+
4 Fund-based working capital facilities	Long-term/ Short-term	40.00	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-	-
5 Non-fund-based working capital facilities	Long-term/ Short-term	(109.00)	[ICRA]BBB+ (Stable)/ [ICRA]A2	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-
6 Unallocated Limits	Long-term/ Short-term	9.99	[ICRA]BBB+ (Stable)/ [ICRA]A2	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based – Term loan	Simple
Long-term – Fund-based working capital	Simple
Long-term/Short-term - Fund-based working capital	Simple
Long-term/Short-term – Non-fund based working capital	Very simple
Long-term/Short-term – Unallocated Limits	Not applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

**Annexure I: Instrument details**

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	FY2022	NA	FY2027	56.51	[ICRA]BBB+(Stable)
NA	Fund-based working capital limits	NA	NA	NA	168.00	[ICRA]BBB+(Stable)
NA	Non-fund-based working capital limits	NA	NA	NA	40.00	[ICRA]BBB+(Stable) / [ICRA]A2
NA	Non-fund-based working capital limits	NA	NA	NA	(109.00)	[ICRA]BBB+(Stable) / [ICRA]A2
NA	Unallocated limits	NA	NA	NA	9.99	[ICRA]BBB+(Stable) / [ICRA]A2

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis: Not Applicable**

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