

April 24, 2024

## Laborate Pharmaceuticals India Limited: Moved to Non-Cooperating category

### Summary of rating action

Instrument <sup>^</sup>	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ Cash Credit	80.00	80.00	[ICRA]A+ (Stable); ISSUER NOT COOPERATING*; Rating moved to ISSUER NOT COOPERATING* category
Short-term: Fund-based limits - Packing Credit	40.00	40.00	[ICRA]A1; ISSUER NOT COOPERATING*; Rating moved to ISSUER NOT COOPERATING* category
Short-term- Non-fund based - Buyer's Credit Facility/ Letter of Credit	5.00	5.00	[ICRA]A1; ISSUER NOT COOPERATING*; Rating moved to ISSUER NOT COOPERATING* category
<b>Total</b>	<b>125.00</b>	<b>125.00</b>	

\*Issuer did not cooperate; based on best available information.

<sup>^</sup>Instrument details are provided in Annexure-1

### Rationale

ICRA has moved the ratings of **Laborate Pharmaceuticals India Limited** to the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]A+(Stable)/[ICRA]A1 ISSUER NOT COOPERATING"

As part of its process and in accordance with its rating agreement with **Laborate Pharmaceuticals India Limited**, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy in respect of non-cooperation by the rated entity</a> <a href="#">Rating Methodology - Pharmaceuticals</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

### About the company

Established in 1985, LPIL is one of the leading pharmaceutical companies in branded trade generics segment in India. The company was founded by the Panipat-based Bhatia family, whose various members head different functions of the company at present. The company manufactures pharmaceuticals and cosmetics from its plants in Panipat (Haryana) and Paonta Sahib (Himachal Pradesh). The company's domestic business can be divided into four verticals—the Elite division, the GPP (brand name) division, Aqua Labs and the personal care division—which contributed 54%, 13%, 3% and 4%, respectively, to the company's turnover in FY2021. Antibiotics, ear/nose/eye drops, and NSAIDs are its key therapeutic segments with the top 10 brands contributing 24% to its turnover. The pharma divisions have ~1500+ products, the personal care division has 60-&0 cosmetic and Ayurvedic preparations. LPIL enjoys a healthy mix of both domestic (70%) and international (30%) branded

generic sales. The company primarily markets its branded formulations in semi-regulated markets with the major ones being Nigeria, Yemen, and Iraq.

### Key financial indicators (audited)

	FY2022	FY2023
Operating income	1,439.1	1,353.9
PAT	152.7	113.8
OPBDIT/OI	15.2%	12.5%
PAT/OI	10.6%	8.4%
Total outside liabilities/Tangible net worth (times)	0.9	1.1
Total debt/OPBDIT (times)	0.0	0.3
Interest coverage (times)	46.6	28.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

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

### Any other information: None

### Rating history for past three years

Instrument	Type	Current Rating (FY2025)			Chronology of Rating History for the past 3 years			
		Amount Rated (Rs. crore)	Amount Outstanding as of (Rs. crore)	Date & Rating in FY2025	Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022	Date & Rating in FY2021
				April 24, 2024	-	Jan 16, 2023	Oct 07, 2021	Sep 28, 2020
1 Cash Credit	Long term	80.0	-	[ICRA]A+ (Stable); ISSUER NOT COOPERATING	-	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)	[ICRA]A+ (Stable)
2 Packing Credit	Short term	40.0	-	[ICRA]A1; ISSUER NOT COOPERATING	-	[ICRA]A1	[ICRA]A1	[ICRA]A1
3 Buyer's Credit Facility/ Letter of Credit	Short term	5.0	-	[ICRA]A1; ISSUER NOT COOPERATING	-	[ICRA]A1	[ICRA]A1	[ICRA]A1

### Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-term - Fund-based limits – Cash Credit	Simple
Short-term - Fund-based limits - Packing Credit	Simple
Short-term - Non-fund based - Buyer's Credit Facility/ Letter of Credit	Very simple

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, is available on ICRA's website: [Click Here](#)

#### Annexure-I: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	80.0	[ICRA]A+ (Stable); ISSUER NOT COOPERATING
NA	Packing Credit	NA	NA	NA	40.0	[ICRA]A1; ISSUER NOT COOPERATING
NA	Buyer's Credit Facility/ Letter of Credit	NA	NA	NA	5.0	[ICRA]A1; ISSUER NOT COOPERATING

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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## About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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