

October 07, 2024

Laborate Pharmaceuticals India Limited: Continues to remain in Issuer Non-Cooperating category, Rating downgraded based on best available information

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short Term-Fund Based-Export Packing Credit	40.00	40.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A1 ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Short Term-Non-Fund Based- Others	5.00	5.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A1 ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Long Term-Fund Based-Cash Credit	80.00	80.00	[ICRA]BB(Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A+(Stable) ISSUER NOT COOPERATING and continues to remain under 'Issuer Not Cooperating' category
Total	125.00	125.00	

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

[^]Instrument details are provided in Annexure-1

Rationale

The rating downgrade is attributable to the lack of adequate information regarding **Laborate Pharmaceuticals India Limited** performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating, as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade."

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. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple 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, the rating has been continued to the "Issuer Not Cooperating" category. The rating is 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	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group Support	NA
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 60-80 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

Standalone	FY2022	FY2023
Operating Income (Rs. crore)	1439.1	1353.9
PAT (Rs. crore)	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

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

Instrument	Current Rating (FY2025)				Chronology of Rating History for the past 3 years		
	Type	Amount Rated (Rs. Crore)	Date & Rating in		Date & Rating in FY2024	Date & Rating in FY2023	Date & Rating in FY2022
			07-October-2024	24-April-2024			
1 Fund Based-Export Packing Credit	Short Term	40.00	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A1; ISSUER NOT COOPERATING	-	[ICRA]A1	[ICRA]A1
2 Non-Fund Based- Others	Short Term	5.00	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A1; ISSUER NOT COOPERATING	-	[ICRA]A1	[ICRA]A1
3 Fund Based-Cash Credit	Long Term	80.00	[ICRA]BB(Stable); ISSUER NOT COOPERATING	[ICRA]A+(Stable); ISSUER NOT COOPERATING	-	[ICRA]A+(Stable)	[ICRA]A+(Stable)

Complexity level of the rated instrument

Instrument	Complexity Indicator
Fund Based-Export Packing Credit	Simple
Non-Fund Based- Others	Very Simple
Fund Based-Cash Credit	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-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Fund Based-Export Packing Credit	NA	NA	NA	40.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Non-Fund Based- Others	NA	NA	NA	5.00	[ICRA]A4; ISSUER NOT COOPERATING
NA	Fund Based-Cash Credit	NA	NA	NA	80.00	[ICRA]BB(Stable); ISSUER NOT COOPERATING

Source: Laborate Pharmaceuticals India Limited

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

Annexure-2: List of entities considered for consolidated analysis: Not applicable

ANALYST CONTACTS

Shamsher Dewan
+91 12 4454 5300
shamsherd@icraindia.com

Subhechha Banerjee
+91 33 7150 1151
subhechha.banerjee@icraindia.com

Susmita Biswas
+91-033 7150 1182
susmita.biswas@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+022-61693300
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2024 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.