

Torrent Pharmaceuticals Limited

January 24, 2018

Summary of Rated Instrument:

Instrument*	Current Rated Amount (Rs. crore)	Rating Action
Non Convertible Debenture Programme	3,100.00	[ICRA]AA; placed on ratings watch with developing implications
Commercial Paper	560.00	[ICRA]A1+ ; placed on ratings watch with developing implications
Fund based-Term Loan	197.67	[ICRA]AA ; placed on ratings watch with developing implications
Fund based- Cash Credit	1,795.00	[ICRA]AA ; placed on ratings watch with developing implications
Long-term unallocated limits	1,600.00	[ICRA]AA ; placed on ratings watch with developing implications
Total	7,252.67	

Material Event

Torrent Pharmaceuticals Limited (TPL) announced the acquisition of US-based generic pharmaceuticals and OTC Company, Biopharm Inc (BPI) on January 19, 2018, through its US subsidiary Torrent Pharma Inc. BPI is a manufacturer of oral solutions, suspensions and suppositories. The company also has presence in research and development. This acquisition is expected to aid TPL in improving its presence in the US market and develop new capabilities. Currently Biopharm has 10 approved ANDAs, 10 ANDAs awaiting approval from FDA and 17 ANDAs under development. Further, BPI's US FDA registered facility has manufacturing capabilities for controlled substances which can be manufactured in the US only as per government guidelines (DEA Schedule II-V). The company was established in 1982 and is based out of Pennsylvania, USA.

Impact of the Material Event

ICRA has taken note of the above event and placed the long-term rating of [ICRA]AA (pronounced ICRA double A) outstanding on the Rs.3,100.00 crore non-convertible debenture programme, Rs.197.67 crore term loan facilities, Rs.1,795.00 crore cash credit facilities and Rs.1600 crore unallocated facilities of TPL on ratings watch with developing implications. ICRA has also placed the short-term rating of [ICRA]A1+ (pronounced ICRA A one plus) outstanding on the Rs.560.00 crore commercial paper on watch with developing implications.

ICRA is in discussions with the company's management to understand the impact of the acquisition on its business and financial profile post which it will take a suitable rating action.

The previous detailed rating rationale is available on the following link: [Click here](#)

ANALYST CONTACTS

Subrata Ray

+91 22 6114 3408

subrata@icraindia.com

Gaurav Jain

+91 20 66069922

gaurav.jain@icraindia.com

Gayathri Ramesh

+91 20 66069918

gayathri.ramesh@icraindia.com

RELATIONSHIP CONTACT

L Shivkumar

+91 22 24331084

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

naznin.prodhani@icraindia.com

Helpline for business queries:

+91-124-2866928 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87
Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore + (91 80) 2559 7401/4049
Ahmedabad+ (91 79) 2658 4924/5049/2008
Hyderabad + (91 40) 2373 5061/7251
Pune + (91 20) 6606 9999

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