NEULAND
WHERE OPPORTUNITY BECOMES REALITY

Neuland Laboratories Limited
Sanali Info Park, 'A' Block,
Ground Floor, 8-2-120/113
Road No. 2, Banjara Hills
Hyderabad - 500 034.
Telangana, India.

Tel: 040 30211600 / 23551081
Fax: 040 30211602
Email: neuland@neulandlabs.com
www.neulandlabs.com

April 11, 2017

To
BSE Limited
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai - 400 001

Scrip Code: 524558

To
The National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra Kurla Complex, Bandra (E)
Mumbai - 400 001

Scrip Code: NEULANDLAB
Series: EQ

Dear Sirs,

Sub: Intimation under Regulation 30(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find below the details of revision in ratings for the Company:

Name of the Agency	Type of Credit Rating	Existing	Revised
CARE	Long-term Bank facilities	CARE BBB	CARE BBB+
	Short-term Bank facilities	CARE A3+	Reaffirmed

Please find enclosed a copy of the report received from the credit rating agency covering the rationale for revision in credit rating.

This is for your information and records.

Yours faithfully,
For **Neuland Laboratories Limited**

Bhagavat

Sarada Bhamidipati
Company Secretary

CARE Ratings
Professional Risk Opinion
20 PLUS YEARS Analytical Excellence

CARE/HRO/RR/2017-18/1010

Mr. PVSS Kumar Gupta
Associate Vice President
Neuland Laboratories Limited
Sanali Info Park, A Block,
8-2-120/113, Road no 2,
Banjara Hills, Hyderabad- 500034

April 10, 2017

Dear Sir,

Credit rating of bank facilities for Rs. 354.48 crore

This is with reference to the review of the ratings assigned to the bank facilities of Neuland Laboratories Limited.

1. The rationale for the ratings is attached as an **Annexure - I**. Kindly note that the rationale would be published in the forthcoming issue of our monthly journal, 'CAREVIEW'.

2. A write-up (brief rationale) on the above ratings is attached as an **Annexure – II**, proposed to be issued to the press shortly.

Thanking you,
Yours faithfully,

Vidhyasagar L
[Associate Director]

Encl: As above

CREDIT ANALYSIS & RESEARCH LTD.
CORPORATE OFFICE : 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off. Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel. : +91-22-6754 3456 Fax : +91-22-6754 3457
401, Ashoka Scintilla, 3-6-520
Himayat Nagar, Hyderabad - 500 029

Annexure - I

Rating Rationale

Neuland Laboratories Limited

Ratings

Facilities	Amount (Rs. crore)	Ratings[1]	Rating Action
Long-term Bank Facilities	240.08 (reduced from 255.27)	CARE BBB+; Stable (Triple B Plus; Outlook: Stable)	Revised from CARE BBB (Triple B)
Short-term Bank Facilities	114.40	CARE A3+ (A Three Plus)	Reaffirmed
Total Facilities	**354.48 (Rupees Three Hundred Fifty Four crore and Forty Eight lakh only)**		

Rating Rationale

The revision in the long-term ratings assigned to the bank facilities of the Neuland Laboratories Limited (NLL) derive strengths from healthly growth in the financial performance during FY16 (refers to the period April 1 to March 31) and 9MFY17 , cognizance of strengths from experienced promoters having long-term presence in the pharma industry, diversified revenue and customer profile, improvement in capital structure and debt protection metrics and moderate product mix with rise in the share of high margin products. The ratings however are constrained by the absence of the long term contracts with clients, exposure to foreign exchange fluctuation risk, elongated operating cycle and highly competitive nature of industry. The ability of the company to complete the ongoing process of merger successfully with its parent and an associate companies, continue to expand the scale of operation, along with improvement in the profit margins and manage working capital requirement efficiently while maintaining healthy liquidity position are the key rating sensitivities.

Background

Incorporated in January 1984, NLL was set up as a private limited company by Dr D R Rao and Mr G V K Rama Rao and was reconstituted as a public limited company, with the current nomenclature, in 1994 NLL manufactures active pharmaceutical ingredients for global pharmaceutical companies and provides end-to-end solutions for the pharmaceutical industry for chemistry-related services. It supplies to

[1] *Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications.*

pharmaceutical companies across India, Europe and North America amongst others with a presence in over 85 countries. NLL has two manufacturing facilities in Hyderabad, Telangana. The manufacturing facilities are compliant with health and regulatory agencies cGMP certifications, namely, Food and Drug Administration (USA), Health Canada (Canada), Pharmaceutical and Medical Devices Agency (Japan), Korea Food and Drug Administration (Korea), European Medicines Agency (European Union), European Directorate for the Quality of Medicines (Certificate of Suitability) and others (Rest of World). The company has a portfolio of around 75 Products with presence in 10 therapeutic segments viz. anti-asthmatic, anti-infective, anti-ulcerants, anti-fungals, cardiovascular, flouroquinolones, central nervous system (CNS) and anti-diabetic. NLL is listed on BSE Limited and National Stock Exchange (NSE).

Credit Risk Assessment

Improved operating income conjoined with improved profitability margins in FY16 and 9MFY17

Total operating income of the company has witnessed growth of 8.78% to Rs.511.18 crore in FY16 over FY15. Growth in income is backed by increase in sales of high value APIs conjoined with improved Custom Manufacturing Solutions (CMS) business contributing 17% to total operating income in FY16 (13% in FY15). Furthermore, during FY16, Unit II facility was inspected by USFDA and the audit was cleared without any observations. The R&D facility also got approval by USFDA as a test facility for release of material. This was another milestone for CMS business which also accomplished scale up of 19 molecules (intermediates and APIs) at the laboratory level. Majority of the products are exported with domestic sales comprising about 24% of the total revenue during FY16 (same as FY15). The major export markets (primarily direct exports) include USA, Europe, Middle East Asia, Asia Pacific, etc.

In line with increase in income, the PBILDT level and PAT level has also improved by 20.15% and 67.36% in FY16 over FY15 respectively. With increasing focus on niche products, growing CMS business and cost leadership for all molecules, NLL was able to elevate profitability margins for FY16. The company has optimized the product mix with higher contribution from CMS and niche molecule business resulting into improved PBILDT margin by 150 bps to 15.86% in FY16 (against 14.36% in FY15) and PAT margin by 181 bps to 5.17% in FY16 (against 3.36% in FY15).

Furthermore, during 9MFY17, the company has achieved total operating income of Rs.432. 47 crore (Rs. 374.93 crore in 9MFY16) with PAT of Rs.23.91 crore (Rs.19.78 crore in 9MFY16).

Comfortable capital structure and debt risk metrics

While debt to equity has remained below unity at 0.32x as on March 31, 2016 as against 0.27x as on March 31, 2015; overall gearing has also remained comfortable and improved to 1.00x as on March 31, 2016 against 1.20x as on March 31 2015. Improved overall gearing was on account of lower utilization of bank borrowings and accretion of higher profits to reserves. During FY16, the company has availed term loans to fund the cost of construction for API block at APIC unit. Debt protection metrics (term debt/GCA and Total debt/GCA) have also remained comfortable at 1.44x in FY16 (against 1.27x in FY15) and at 4.49x in FY16 (improved from 5.74x in FY15) respectively. Further, as on December 31, 2016, the company had comfortable debt to equity at 0.29x and overall gearing of 0.93x.

Experienced promoters

NLL is led by Dr Davuluri Rama Mohan Rao, the Chairman & Managing Director of the company, who has over 40 years of experience in the pharmaceutical industry. Before promoting Neuland in 1984, Dr D R Rao has held senior positions in research and development, production and quality assurance at Glaxo India for nearly 10 years. He is a member of Royal Society of Chemistry. NLL's manufacturing facilities are compliant with cGMP certification standards. The sites have been audited and certified by the regulatory authorities from USFDA (USA), Canada (HC), PMDA (Japan), KFDA (Korea), EU (EMA), EDQM (COS) and others (ROW).

Diversified revenue and client profile

NLL has portfolio of 75 products (largely APIs) and presence across 10 Therapeutic segments. The revenue stream is well diversified with the top 5 products contributing 50.86% in FY16 against 49.16% in FY15. While Ciprofloxacin, the flagship product of NLL continued to remain the major revenue contributor, the share in the total revenue has reduced to16.57%in FY16 from 20.66% in FY15. NLL is trying to increase focus towards high value low volume products unlike Ciprofloxacin which is a high volume low value product. Hence, contribution of Ciprofloxacin has been declining y-o-y which has also resulted into reduce risk of revenue streamed from a single product. Furthermore, during the year, the company has bagged orders for few new molecules from large MNCs for contract manufacturing, for which validation batches have been supplied in FY16 while the revenue generation in manufacturing scale is expected to start from FY17 onwards. In addition, the company has also taken up commercial launch of Salmeterol in UK, Germany and few other countries in Europe during FY16.

Across the 10 therapeutic segments, anti-bacterial has been the major revenue contributor followed by the anticonvulsant therapeutic segment. Both together accounted for 37.47% of net sales.

The company also has a diversified clientele and enjoys dependable relationships with major global and Indian Pharma majors though there is absence of long term contracts. Top 5 clients of the company accounted for 33.28% of the net sales in FY16 against 34% of the net sales in FY15.

Benefits expected from proposed merger of NLL with parent and an associate company

NLL is in process to be merged with NHSPL and NPRPL resulting in merged entity as NLL which would continue being traded on bourses. As per new shareholding pattern of NLL, the promoters would have around 41% stake followed by 38% stake of public and balance 20% would be held by others. Appointment date of the merger has been proposed as April 01, 2016. NLL has received NOC from all the secured lenders, filed documents with SEBI and obtanied the clearance from Stock Exchange and has also submitted application to National Company Law Tribunal (NCLT). The company is awaiting orders from NCLT pertaining to merger. Post merger NLL would have enhanced financial strength marked by increased scale of operation on account of synergy of resources, improved profit levels and profitability margins owing to tax benefits out of research and development expense deductions and improved liquidity owing to reduced intercompany transactions cost. Furthermore, the leverage position of the company is also expected to improve post merger, as NHSPL and NPRPL does not have any debt in their books however addition of tangible net worth would result in better capital structure of the merged entity.

Elongated operating cycle period

Working capital cycle of NLL has further increased to 111 days in FY16 from 107 days in FY15. While, the collection period has improved to 89 days in FY16 against 95 days in FY15 due to faster recovery of bills particularly from domestic clients. Given majority of revenue is from exports, the company receives payment within 80 to 90 days. The inventory holding period has increased marginally to 107 days in FY16 against 98 days in FY15 as NLL is in phase of widening its product portfolio due to which the company has to maintain adequate inventory stocks to support the operations. However, the creditor's period has remained stable at 85 days in FY16. Despite increase in the working capital cycle, the company has been managing the working capital requirements efficiently with satisfactory utilization level thereby representing adequate liquidity.

Foreign exchange fluctuation risk

Around 76% of the TOI is streamed from exports, NLL remains exposed to susceptibility of profitability margins with volatility in foreign exchange rate. However, the company has natural protection mechanism by imports, bill discounting and pre-shipment credit in foreign currency (PCFC) to cover about 70% of the total risk while 30% remains open for foreign exchange fluctuation risk.

Exposure to regulatory risk

The company is exposed to regulatory risk with its operations centered majorly into manufacturing pharmaceutical formulations along with APIs. In India, the government also controls the prices of pharmaceutical products through the drug price control order (DPCO) under price control mechanism. The Cardiovascular (CVS) and Anti-Diabetic together accounts for about 20% of the domestic pharmaceutical industry and are among the fastest growing segments. As per industry estimates, the recent proposal will impact around 50-55% and 20-25% of the CVS and Anti-Diabetic segment, respectively.

Besides, the pharmaceutical industry is highly regulated in many other countries and requires various approvals, licenses, registrations and permissions for business activities. The approval process for a new product registration is complex, lengthy and expensive. The time taken to obtain approval varies by country but generally takes from six months to several years from the date of application. Any delay or failure in getting approval for new product launch could adversely affect the business prospect of the company. Given, India's significant share in the USA's generic market, the USFDA has increased its scrutiny of manufacturing facilities and other regulatory compliance of the Indian pharma companies supplying generics drugs to the USA. Non-compliance may result in regulatory ban on products/facilities (as in the recent cases of import alerts issued by the USFDA to top pharma companies) and may impact a company's future approvals from USFDA. Hence, ongoing regulatory compliance has become critical for Indian pharma companies including NLL as it seeks to strengthen its position in the regulated markets like USA, UK etc

Intense Competition

The company faces intense competition in the domestic as well as international markets. Pricing pressure, increasing regulation, increased sensitivity towards product performance are the key issues in the pharmaceutical industry. The pharmaceutical industry has been a highly regulated industry worldwide by virtue of its direct bearing on public health. In India too, government policies have played a key role in performance of companies such as explicit control on drug prices in the form of drug price control order (DPCO). Furthermore, the patent laws and related regulations might hamper company's plans to launch new products and cater to new markets. Indian pharmaceutical companies are expected to continue to experience growth from US markets over medium term backed by sizeable generic opportunities over next two years, strong product pipeline of ANDAs with increasing proportion of complex generic. However, US markets are facing multiple challenges such as increased scrutiny by USFDA, consolidation of supply-chain and need for higher investments in R&D to tap complex segments. Companies with growing portfolio comprising of niche or complex products and high levels of backward integration are likely to be better positioned considering above challenges.

Prospects:

Going forward, better growth in domestic sales will depend on the ability of companies to align their product portfolio towards chronic therapies for diseases such as such as cardiovascular, anti-diabetes, anti-depressants and anti-cancers are on the rise. NLL derives around 10% of its net sales together from anti-depressant and anti-diabetic therapeutic segments. The ability of the NLL to further enhance the scale of operation with the increased presence in segments like anti-cancers, cardiovascular, anti-diabetes and anti-depressants while improving the profitability margins would be the key growth drivers.

Financial Results

(Rs. Cr)

For the period ended / as on March 31,	*2014*	*2015*	*2016*
	(12m, A)	*(12m, A)*	*(12m, A)*
Working Results			
Net Sales	465.73	445.06	485.77
Total Operating income	468.86	469.93	511.18
PBILDT	72.76	67.15	81.49
Interest	23.64	27.35	24.47
Depreciation	14.94	15.32	15.74
PBT	34.22	24.48	40.34
PAT (after deferred tax)	26.67	15.78	26.41
Gross Cash Accruals	49.16	33.08	40.53
Financial Position			
Equity Share Capital	7.73	8.95	8.95
Tangible Net worth	121.97	158.27	182.83
Total capital employed	322.96	361.17	379.59
Key Ratios			
Growth			
Growth in Total income (%)	2.04	0.23	8.78
Growth in PAT (after D. Tax) (%)	67.36	-40.82	67.38
Profitability			
PBILDT/Total Op. income (%)	15.52	14.36	15.86
PAT (after deferred tax)/ Total income (%)	5.69	3.36	5.17
ROCE (%)	18.21	15.17	17.75
Solvency			
Long-term Debt Equity ratio (times)	0.41	0.27	0.32
Overall Gearing	1.56	1.20	1.00
PBILDT Interest coverage (times)	3.08	2.47	3.31
Term debt/Gross cash accruals (years)	1.03	1.27	1.44
Total debt/Gross cash accruals (years)	3.87	5.74	4.49
Liquidity			
Current ratio (times)	0.88	1.04	1.12
Quick ratio (times)	0.56	0.65	0.65

For the period ended / as on March 31,	2014	2015	2016
	(12m, A)	(12m, A)	(12m, A)
Turnover			
Average collection period (days)	82	95	89
Average creditors (days)	72	87	85
Average inventory (days)	93	98	107
Operating cycle (days)	102	107	111

A-Audited

Details of Rated Facilities

1.A. Rupee term loans

(Rs. Cr)

Sr. No.	Lender	Rated Amount
1.	Hero Fin Corp	19.75
2.	Indusind Bank	9.20
3.	Bank Of India	11.13
	Total	**40.08**

1.B. Fund-based limits

(Rs.Cr)

Sr. No.	Name of Bank	Fund-based Limits		
		Cash Credit	FBD/FBP/PCFC*	Total fund-based limits
1	State Bank of India	73.00	0.00	73.00
2	Bank of India	18.00	15.00	33.00
3	Indian Overseas Bank	29.00	0.00	29.00
4	Kotak Mahindra Bank Ltd	0.00	15.00	15.00
5	Indus Ind Bank Ltd	20.00	0.00	20.00
6	Punjab National Bank	5.00	0.00	5.00
7	RBL Bank	0.00	15.00	15.00
7	Proposed	10.00	0.00	10.00
	Total	**155.00**	**45.00**	**200.00**

*Foreign Bill Discounting/ Foreign Bill Purchase/Packing Credit in Foreign currency

Total long-term facilities (1.A.+1.B): Rs. 240.08 crore

2. **Short-term facilities**

2.A. Non-fund-based Limits

(Rs. Cr)

Sr. No.	Name of Bank	Non-fund-based Limits		
		LCs/ BGs*	**Forward Contract Limit**	**Total Non-Fund Based**
1	State Bank of India	46.20	6.40	52.60
2	Bank of India	13.20	0.00	13.20
3	Indian Overseas Bank	21.10	0.00	6.60
4	Indus Ind Bank Ltd	10.00	0.00	10.00
5	Punjab National Bank	12.00	0.00	12.00
6	Proposed	5.50	0.00	0.00
	Total	**108.00**	**6.40**	**114.40**

*LC=Letter of credit; BG=Bank guarantee

Total short-term facilities (2.A.): Rs.114.40 crore

Total Bank Facilities (1+2): Rs. 354.48 crore

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

In case of partnership/proprietary concerns, the rating/outlook assigned by CARE is based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors.

Annexure II

Neuland Laboratories Limited

Rating

Facilities	Amount (Rs. crore)	Ratings[2]	Rating Action
Long-term Bank Facilities	240.08 (reduced from 255.27)	**CARE BBB+; Stable (Triple B Plus; Outlook: Stable)**	Revised from CARE BBB (Triple B)
Short-term Bank Facilities	114.40	**CARE A3+ (A Three Plus)**	Reaffirmed
Total Facilities	**354.48 (Rupees Three Hundred Fifty Four crore and Forty Eight lakh only)**		

Detailed Rationale & Key Rating Drivers

The revision in the long-term ratings assigned to the bank facilities of the Neuland Laboratories Limited (NLL) derive strengths from healthy growth in the financial performance during FY16 (refers to the period April 1 to March 31) and 9MFY17, cognizance of strengths from experienced promoters having long-term presence in the pharma industry, diversified revenue and customer profile, improvement in capital structure and debt protection metrics and moderate product mix with rise in the share of high margin products. The ratings however are constrained by the absence of the long term contracts with clients, exposure to foreign exchange fluctuation risk, elongated operating cycle and highly competitive nature of industry. The ability of the company to complete the ongoing process of merger successfully with its parent and an associate companies, continue to expand the scale of operation, along with improvement in the profit margins and manage working capital requirement efficiently while maintaining healthy liquidity position are the key rating sensitivities.

Detailed description of the key rating drivers

Key Rating Strengths

Improved operating income and profitability margins in FY16 and 9MFY17

Total operating income of the company has witnessed growth of 8.78% in FY16 over FY15. Growth in income is backed by increase in sales of APIs and Custom Manufacturing Solutions (CMS) business during the year. Furthermore, optimized product mix with higher contribution from CMS and niche

[2]*Complete definition of the ratings assigned are available at www.careratings.com and other CARE publications.*

molecule business has resulted in improved PBILDT margin by 150 bps in FY16 and PAT margin by 181 bps in FY16.

Furthermore, during 9MFY17, the company has achieved 15% growth (y-o-y) in total operating income with PAT margin of 5.53%.

Comfortable capital structure and debt risk metrics

NLL has comfortable capital structure as on March 31, 2016. Improved leverage position of NLL was on account of lower utilization of bank borrowings and accretion of higher profits to reserves. Furthermore, debt protection metrics (term debt/GCA and Total debt/GCA) have also remained comfortable in FY16 Furthermore, as on December 31, 2016, also the company had comfortable debt to equity and overall gearing below unity.

Diversified revenue and client profile

NLL has portfolio of 75 products (particularly APIs) with presence across 10 therapeutic segments. The revenue steam is well diversified with top 5 products contributing 50.86% and top 5 clients accounting 33.28% of the net sales in FY16. The company has diversified clientele and enjoys dependable relationships with major global and Indian Pharma majors.

Benefits expected from proposed merger of NLL with parent and an associate company

NLL is in process of merger with NHSPL and NPRPL resulting in merged entity as NLL. As per the new shareholding pattern, the promoters would have 41% stake followed by 38% stake of public and balance 20% would be held by others. Post merger, NLL would have enhanced financial strength marked by increased scale of operation, improved profit levels and profitability margins, improved liquidity profile and capital structure.

Key Rating Weakness

Elongated operating cycle period

NLL has stretched operating cycle of 111 days in FY16 from 107 days in FY15. Elongated operating cycle is primarily due to high inventory holding period of 107 days in FY16 as NLL is in phase of widening its product portfolio for which the company has to maintain adequate inventory stocks to support the operations.

Foreign Exchange fluctuation risk

NLL remains exposed to susceptibility of profitability margins with volatility in foreign exchange rate with around 76% of the revenue streamed from exports however the company ensures risk coverage of around 70% of the total exposure.

Exposure to regulatory risk and highly fragmented industry

The Indian pharmaceuticals market is third largest in terms of volume and thirteen largest in terms of value, as per a pharmaceuticals sector analysis report by equity master. The market is dominated majorly by branded generics which constitute nearly 70 to 80% of the market. Furthermore, the company is exposed to regulatory risk with its operations centered majorly into manufacturing pharmaceutical formulations along with APIs. In India, the government also controls the prices of pharmaceutical products however industry is highly regulated in many other countries and requires various approvals, licenses, registrations and permissions for business activities.

Analytical approach: Consolidated. The consolidated financial statements of NLL accompany financials of NHSPL and NPRPL.

Applicable Criteria

- Criteria on assigning Outlook to Credit Ratings
- CARE's Policy on Default Recognition
- Criteria for Short Term Instruments
- Rating Methodology-Manufacturing Companies
- Financial ratios – Non-Financial Sector
- Rating Methodology- Pharmaceutical Sector

About the Company

Incorporated in January 1984, NLL was set up as a private limited company by Dr D R Rao and Mr G V K Rama Rao and was reconstituted as a public limited company, with the current nomenclature, in 1994. NLL manufactures active pharmaceutical ingredients for global pharmaceutical companies and provides end-to-end solutions for the pharmaceutical industry for chemistry-related services. It supplies to pharmaceutical companies across India, Europe and North America amongst others with a presence in over 85 countries. NLL has two manufacturing facilities in Hyderabad, Telangana. The manufacturing facilities are compliant with health and regulatory agencies cGMP certifications, namely, Food and Drug Administration (USA), Health Canada (Canada), Pharmaceutical and Medical Devices Agency (Japan), Korea Food and Drug Administration (Korea), European Medicines Agency (European Union), European Directorate for the Quality of Medicines (Certificate of Suitability) and others (Rest of World). The company has a portfolio of around 75 Products with presence in 10 therapeutic segments viz. anti-asthmatic, anti-infective, anti-ulcerants, anti-fungals, cardiovascular, flouroquinolones, central nervous system (CNS) and anti-diabetic. NLL is listed on BSE Limited and National Stock Exchange (NSE).

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

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. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.*

About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

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
Term Loan-Long Term	-	-	January 2019	40.08	CARE BBB+; Stable
Fund-based - LT-Working Capital Limits	-	-	-	200.00	CARE BBB+; Stable
Non-fund-based - ST-BG/LC	-	-	-	108.00	CARE A3+
Non-fund-based - ST-Forward Contract	-	-	-	6.40	CARE A3+

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 2017-2018	Date(s) & Rating(s) assigned in 2016-2017	Date(s) & Rating(s) assigned in 2015-2016	Date(s) & Rating(s) assigned in 2014-2015
1.	Term Loan-Long Term	LT	40.08	CARE BBB+; Stable	-	1)CARE BBB (26-Aug-16) 2)CARE BBB- (29-Apr-16)	1)CARE BBB- (16-Sep-15) 2)CARE BBB- (07-Aug-15)	1)CARE BBB- (04-Jul-14)
2.	Fund-based - LT-Working Capital Limits	LT	200.00	CARE BBB+; Stable	-	1)CARE BBB (26-Aug-16) 2)CARE BBB- (29-Apr-16)	1)CARE BBB- (16-Sep-15) 2)CARE BBB- (07-Aug-15)	1)CARE BBB- (04-Jul-14)
3.	Non-fund-based - ST-BG/LC	ST	108.00	CARE A3+	-	1)CARE A3+ (26-Aug-16) 2)CARE A3 (29-Apr-16)	1)CARE A3 (16-Sep-15) 2)CARE A3 (07-Aug-15)	1)CARE A3 (04-Jul-14)
4.	Non-fund-based - ST-Forward Contract	ST	6.40	CARE A3+	-	1)CARE A3+ (26-Aug-16) 2)CARE A3 (29-Apr-16)	1)CARE A3 (16-Sep-15) 2)CARE A3 (07-Aug-15)	1)CARE A3 (04-Jul-14)