

**Press Release**

**Nifty Labs Private Limited**

**May 19, 2022**



**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	17.00	-	ACUITE A4+   Downgraded   Issuer not co-operating*
Bank Loan Ratings	47.50	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	64.50	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has downgraded the long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.64.50 Cr bank facilities of Nifty Labs Private Limited (NLPL). The rating is flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

**About the Company**

Hyderabad-based, Nifty Labs Private Limited, incorporated in 2005 by Mr. D. Kesava Reddy along with Mr. B. Krishna Reddy, Mr. M. Kishore Reddy and Mr. Y. Bharath Reddy. The company is engaged in manufacturing of active pharmaceutical ingredients and advanced drug intermediates. NLPL has two research and development labs. The company has regulatory approvals obtained from global regulatory agencies like U.S. Food and Drug Administration (USFDA), European Medicines Agency (EU-GMP) and others for majority of its APIs, which help to supply products to regulated markets as well. The Company earns ~35 percent of its revenue from export market.

**Non-cooperation by the issuer/borrower**

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**Limitation regarding information availability**

The rating is based on information available from sources other than the issuer/borrower (in

the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit ratings is based.

### Rating Sensitivities

No information provided by the issuer / available for Acuite to comment upon.

### Material Covenants

None

### Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

### Outlook

None

### Key Financials:

The rated entity has not shared the latest financial statements despite repeated requests.

### Status of non-cooperation with previous CRA

India Ratings vide its press release dated 09 July 2021, has mentioned the rating of NLPL to 'IND BB+/Stable' (Issuer Not Cooperating) as on 09 July 2021.

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
08 Mar 2021	Bank Guarantee	Short Term	0.50	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	24.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Bank Facility	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Long Term	16.20	ACUITE BBB-   Stable (Reaffirmed)
	Letter of Credit	Short Term	11.50	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	2.30	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	24.00	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Bank Facility	Long Term	8.70	ACUITE BBB-   Stable (Reaffirmed)

23 Feb 2021	Term Loan	Long Term	2.30	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Short Term	5.00	ACUITE A3 (Reaffirmed)
	Letter of Credit	Short Term	11.50	ACUITE A3 (Reaffirmed)
03 Dec 2019	Letter of Credit	Short Term	11.50	ACUITE A3 (Assigned)
	Proposed Bank Facility	Short Term	5.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	25.00	ACUITE BBB-   Stable (Assigned)
	Proposed Bank Facility	Long Term	15.00	ACUITE BBB-   Stable (Assigned)
	Bank Guarantee	Short Term	0.50	ACUITE A3 (Assigned)

**Annexure - Details of instruments rated**

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	0.50	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3)
State Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	24.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB-)
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	11.50	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3)
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	16.20	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB-)
Not Applicable	Not Applicable	Proposed Short Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3)
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	2.30	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB-)
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	5.00	ACUITE BB+   Downgraded   Issuer not co-

								operating* (from ACUIE BBB- )
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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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