

Press Release
LEE Pharma Limited
May 31, 2024



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	357.63	ACUITE BB+ Downgraded Issuer not co-operating*	-
Bank Loan Ratings	29.87	-	ACUITE A4+ Downgraded Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	387.50	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB+**' (read as **ACUITE triple B plus**) and short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A2**' (read as **ACUITE A two**) on Rs.387.50 Cr. bank facilities of Lee Pharma Limited (LPL).

The rating is downgraded and flagged as issuer non cooperative on account of information risk and is based on the best available information.

About the Company

Incorporated in 1997 by Mr. A Venkata Reddy and his family members, Lee Pharma Limited (LPL) is engaged in manufacturing of active pharmaceuticals ingredients (APIs), bulk drugs intermediate chemicals and formulations. Based in Hyderabad (Telangana), LPL operates through 4 units, 2 in Telangana (Hyderabad & Medak) and 2 in Vizag (Andhra Pradesh). It also has a research facility, Lee Advanced Research Centre, in Medak (Telangana). The company is based out of Hyderabad (Telangana). LPL's manufacturing facilities are approved by several international regulatory bodies such as USFDA, EUGMP, and WHO GMP etc.

Unsupported Rating

Not applicable

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 noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is therefore being 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 rating is based.

Rating Sensitivities

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

Liquidity Position

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

Outlook: Not applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	820.18	645.28
PAT	Rs. Cr.	34.88	35.42
PAT Margin	(%)	4.25	5.49
Total Debt/Tangible Net Worth	Times	1.67	1.40
PBDIT/Interest	Times	3.40	4.30

Status of non-cooperation with previous CRA

Not Applicable

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 Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
03 Mar 2023	Bank Guarantee (BLR)	Short Term	1.50	ACUITE A2 (Downgraded from ACUITE A2+)
	Cash Credit	Long Term	23.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	12.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	31.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	14.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	20.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Cash Credit	Long Term	31.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Derivative Exposure	Short Term	1.62	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	5.00	ACUITE A2 (Downgraded from ACUITE A2+)
	Letter of Credit	Short Term	15.00	ACUITE A2 (Downgraded from ACUITE A2+)
	PC/PCFC	Long Term	1.00	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Proposed Letter of Credit	Short Term	6.75	ACUITE A2 (Assigned)
	Proposed Term Loan	Long Term	52.20	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	19.86	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	17.14	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	11.75	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	1.50	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Term Loan	Long Term	28.11	ACUITE BBB+ Stable (Assigned)
	Term Loan	Long Term	42.81	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Term Loan	Long Term	14.19	ACUITE BBB+ Stable (Assigned)
	Working Capital Demand Loan (WCDL)	Long Term	9.17	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Working Capital Term Loan	Long Term	8.90	ACUITE BBB+ Stable (Downgraded from ACUITE A- Stable)
	Bank Guarantee (BLR)	Short Term	1.50	ACUITE A2+ (Assigned)
	Cash Credit	Long Term	7.50	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	23.50	ACUITE A- Stable (Assigned)
		Long		

12 Apr 2022	Cash Credit	Term	20.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	20.00	ACUITE A- Stable (Assigned)
	Cash Credit	Long Term	23.00	ACUITE A- Stable (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	10.00	ACUITE A2+ (Assigned)
	Letter of Credit	Short Term	5.00	ACUITE A2+ (Assigned)
	PC/PCFC	Long Term	1.00	ACUITE A- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	25.81	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	25.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	1.50	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	8.87	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	15.09	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	14.66	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	4.00	ACUITE A- Stable (Assigned)
	Term Loan	Long Term	8.00	ACUITE A- Stable (Assigned)
	Working Capital Term Loan	Long Term	9.17	ACUITE A- Stable (Assigned)
	Working Capital Term Loan	Long Term	8.90	ACUITE A- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.50	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	31.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	45.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
SVC Co-Op Bank Limited	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	35.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Axis Bank	Not avl. / Not	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	15.00	ACUITE A4+ Downgraded Issuer not co-

	appl.							operating* (from ACUITE A2)
HDFC Bank Ltd	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
HDFC Bank Ltd	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Not Applicable	Not avl. / Not appl.	Proposed Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.75	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.62	ACUITE A4+ Downgraded Issuer not co-operating* (from ACUITE A2)
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	52.20	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	14.19	ACUITE BB+ Downgraded Issuer not co-operating* (from ACUITE BBB+)
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.50	ACUITE BB+ Downgraded Issuer not co-operating* (

								from ACUITE
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	19.86	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB+)
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	17.14	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB+)
Axis Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	11.75	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB+)
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	28.11	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB+)
SVC Co- Op Bank Limited	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	42.81	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB+)
SVC Co- Op Bank Limited	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	9.17	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE BBB+)
Canara Bank	Not avl. / Not appl.	Working Capital Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.90	ACUITE BB+ Downgraded Issuer not co- operating* (from ACUITE 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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