



ICRA

Confidential

Ref: ICRA:2019-20/RT/BASEL/631

March 20, 2020

S.V.V.N. Apparao
Vice President - Finance
Natco Pharma Limited
Road No:2, Banjara Hills
Hyderabad - 500 033

Dear Sir,

Re: ICRA – assigned Credit Rating for Rs. 1,150.00 crores enhanced bank limits as per Annexure

Please refer the Rating Agreement dated March 27, 2019 between ICRA Limited (“ICRA”) and your company, whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when the circumstances so warrant. Further, please refer to your Rating Agreement dated March 4, 2020 seeking an enhancement of the captioned Line(s) of Credit (LOC) of your company from Rs. 1,100 crore to Rs.1,150.00 crore.

Please note that the Rating Committee of ICRA, after due consideration, has reaffirmed the long-term rating outstanding on the long-term part of Rs.1,100.00 crore Line of Credit of your company at [ICRA]AA (pronounced ICRA double A) and assigned a long-term rating of [ICRA]AA (pronounced ICRA double A) to long-term part of the additional limit of Rs.50.00 crore bank facilities. The Outlook on the long-term rating is **Stable**. The Rating Committee of ICRA, after due consideration, has also reaffirmed the short-term rating outstanding on the short-term part of Rs.1,100.00 crore Line of Credit of your company at [ICRA]A1+ (pronounced ICRA A One Plus) and assigned a short-term rating of [ICRA]A1+ (pronounced ICRA A One Plus) to short-term part of the additional limit of Rs.50 crore bank facilities.

The aforesaid ratings will be due for surveillance any time before **March 31, 2021**.

This rating is specific to the terms and conditions of the LOC as was indicated to us by you and any change in the terms or size of the same would require the rating to be reviewed by us. If there is any change in the terms and conditions or size of the LOC rated, as above, the same must be brought to our notice before the utilisation of the same. If there is any such change after the rating is assigned by us and confirmed for use by you, it would be subject to our review and may result in change in the rating assigned. Notwithstanding the foregoing, any change in the over-all limit of the LOC from that specified in the first paragraph of this letter would constitute an enhancement that would not be covered by or under the said Rating Agreement.

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The Millenia, Tower-B, Unit No.1004,
10th Floor, 1 & 2 Murphy Road, Ulsoor
Bengaluru 560008

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RATING • RESEARCH • INFORMATION 16427



ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the rating assigned to you.

You are requested to furnish a monthly '*No Default Statement (NDS)*' (as per enclosed format) on the first working day of every month, confirming timely payment of all obligations on the above rated debt program [interest and principal obligations for fund based as well as obligations under LOC/BG for non-fund based facility]. This is in accordance with requirements prescribed in circular dated June 30, 2017 on '*Monitoring and Review of Ratings by Credit Rating Agencies (CRAs)*' issued by the Securities and Exchange Board of India.

You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the Programme rated, as above, or any other debt instruments / borrowings. Further you are requested to forthwith inform us of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s).

We thank you for your kind cooperation extended during the course of the rating exercise. Please let us know if you need any clarification.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

A handwritten signature in blue ink, appearing to read 'Mathew', is written over a horizontal line.

[Mathew Kurian Eranat]
Vice President
mathew.eranat@icraindia.com

A handwritten signature in black ink, appearing to read 'Mythri', is written over a horizontal line.

[Mythri Macherla]
Assistant Vice President
mythri.macherla@icraindia.com

Encl:



ICRA

'No Default Statement on the Company Letter Head'

To,

ICRA Limited
Building No. 8, 2nd Floor, Tower A,
DLF Cyber City, Phase II, Gurugram -122002

Dear Sir/ Madam,

1. We hereby confirm that as on date there are no overdues or default on our listed debt obligations. (Securities).
2. We hereby confirm that as on date there are no overdues or default on our unlisted debt obligations. (Securities).
3. We also confirm that in the month ended <<Month and Year name>>, there has been no instance of delay in servicing of our listed debt obligations (Securities).
4. We also confirm that in the month ended <<Month and Year name>>, there has been no instance of delay in servicing of our un-listed debt obligations(Securities).
5. We also confirm that in the month ended <<Month and Year name>>, there has been no instance of delay in servicing of debt obligations guaranteed by us.
6. We hereby confirm that as on date and in the month ended <<Month and Year name>> there are no over dues or default on payment of interest/installment obligations on loans from banks/financial institutions.
7. We hereby confirm that as on date there are no over dues or default on payment of interest/installment obligations on loans from banks/financial institutions which continues beyond 30 days.
8. We hereby confirm that as on date there are no over dues or default on revolving facilities like cash credit, from banks/financial institutions which continues beyond 30 days.
9. We also confirm that there is no amount remaining unpaid for more than 30 days from the invocation of the bank guarantee facilities or devolvement of Letters of Credit as on date / in the month ended <<Month and Year name>> We also confirm that there has not been any instance of devolvement of Letter of Credit in the month ended <<Month and Year name>>
10. We also confirm that there has been no overdrawal of the drawing power sanctioned by the bank for a period of more than 30 consecutive days in case of bank facilities which do not have scheduled maturity/repayment dates.
11. Details of default in payment of interest/installment obligations on loans including revolving facilities like cash credit from banks/financial institutions and any overdrafts beyond what is sanctioned by the bank, beyond 30 days as on date/ in the month ended <<Month and Year name>>, in any of the above case (if any):

Name of Lender	Nature of obligation	Date of Default	Current default amount	Amount to be paid	Actual Date of Payment (if any)	Remarks
Text	Term Loan, CC					
Row 2						

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12. Details of default in payment of principal/interest obligations as on date/ in the month ended <<Month and Year name>>, on our listed and unlisted debt obligations (Securities), in any of the above case (if any):

Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks
NCD					

Thanking You,

Yours faithfully,

<Authorized Signatory of Issuer>

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Details of Bank Limits Rated by ICRA (Rated on Long-Term Scale)

Instrument Details & Name of the Bank	Amount (Rs. Cr.)	Rating Assigned	Rating Assigned
Fund Based Facilities – Allahabad Bank	100.00	[ICRA]AA (Stable)	March 20, 2020
Fund Based Facilities – SBI	100.00		
Fund Based Facilities – OBC	15.00		
Fund Based Facilities – Corporation Bank	6.50		
Fund Based Facilities –Citi Bank	78.50		
Fund Based Facilities – Axis Bank	40.00		
Fund Based Facilities – IndusInd	20.00		
Fund Based Facilities – Citi Bank	21.50		
Fund Based Facilities – HSBC	100.00		
Fund Based Facilities – ICICI	20.00		
Fund Based Facilities – HDFC	120.00		
Fund Based Facilities – Yes Bank	66.00		
Fund Based Facilities – IndusInd	60.00		
Fund Based Facilities – MUFG	120.00		
Fund Based Facilities – Federal Bank	50.00		
Total Limits rated on LT Scale	917.50		

Details of Bank Limits Rated by ICRA (Rated on Short-Term Scale)

Instrument Details & Name of the Bank	Amount (Rs. Cr.)	Rating Assigned	Rating Assigned
Non-Fund Based Facilities – Allahabad Bank	30.00	[ICRA]A1+	March 20, 2020
Non-Fund Based Facilities – SBI	20.00		
Non-Fund Based Facilities – OBC	5.00		
Non-Fund Based Facilities – Citibank	20.00		
Non-Fund Based Facilities – Axis Bank	10.00		
Total Limits rated on ST Scale	85.00		

Details of Bank Limits Rated by ICRA (Rated on Long-Term / Short-Term Scale)*

Instrument Details & Name of the Bank	Amount (Rs. Cr.)	Rating Assigned	Rating Assigned
Fund based/Non-Fund Based Facilities – Interchangeable – Axis Bank	14.00	[ICRA]AA(Stable)/ [ICRA]A1+	March 20, 2020
Fund based/Non-Fund Based Facilities – Interchangeable – Kotak Mahindra Bank	91.00		
Proposed Limits	42.50		
Total Limits rated on LT/ST Scale	147.50		

*LT or ST rating will apply depending on the tenure of the facility availed

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Ref: ICRA:2019-20/RT/621

Date: March 17, 2020

S.V.V.N. Apparao
CFO
Natco Pharma Limited
Road No:2, Banjara Hills
Hyderabad - 500 033

Dear Sir,

Re: Surveillance of ICRA rating for Rs. 400 crore Commercial Paper programme of Natco Pharma Limited.

Please refer the Rating Agreements dated January 22, 2015, January 25, 2017, May 24, 2017 and March 27, 2019 between ICRA Limited (“ICRA”) and your company, whereby, ICRA is required to review the ratings assigned to your company on an annual basis or as and when the circumstances so warrant.

Please note that the Rating Committee of ICRA, after due consideration of the latest developments in your company, has reaffirmed the rating assigned to the aforementioned instrument at **[ICRA]A1+** (pronounced as ICRA A one plus). Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.

In any of your publicity material or other document wherever you are using the above rating, it should be stated as **[ICRA]A1+**.

Additionally, we wish to highlight the following with respect to the rating:

(a) If the instrument rated, as above, is not issued by you within a period of 3 months from the date of this letter, the rating would need to be revalidated before issuance;

(b) Subject to Clause (c) below, our rating is valid from the date of this letter till June 15, 2021 (“Validity Period”). The rating will generally be due for review at the end of the Validity Period. The maturity date of the Commercial Paper shall not be after the end of the Validity Period. The CP will have a maximum maturity of twelve months.

M. Srinivas

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(c) ICRA reserves the right to review and/or, revise the above rating at any time on the basis of new information or unavailability of information or such circumstances, which ICRA believes, may have an impact on the aforesaid rating assigned to you.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Commercial Paper issued by you. The above rating of “[ICRA]A1+” is assigned to your overall Commercial Paper size of Rs 400 crore and the maximum amount raised through Commercial Paper at any point in time, including any amount already outstanding, should not exceed Rs 400 crore. In case, you propose to enhance the size of the Commercial Paper, the same would be required to be rated afresh. ICRA does not assume any responsibility on its part, for any liability, that may arise consequent to your not complying with any eligibility criteria, applicable from time to time, for issuance of Commercial Paper.

As mentioned above and in accordance with the aforesaid circular issued by SEBI, you are requested to furnish a monthly ‘*No Default Statement (NDS)*’ (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme.

You are requested to furnish a monthly ‘*No Default Statement (NDS)*’ (in the format enclosed) on the first working day of every month, confirming the timeliness of payment of all obligations against the rated debt programme. This is in line with requirements as prescribed by the Securities and Exchange Board of India (SEBI) vide SEBI circular dated June 30, 2017. You are also requested to forthwith inform us about any default or delay in repayment of interest or principal amount of the instrument rated, as above, or any other debt instruments/ borrowing and keep us informed of any other developments which may have a direct or indirect impact on the debt servicing capability of the company including any proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts of the company with any lender(s) / investor(s). Further, you are requested to inform us immediately as and when the borrowing limit for the instrument rated, as above, or as prescribed by the regulatory authority(ies) is exceeded.

We thank you for your kind cooperation extended during the course of the rating exercise. Should you require any clarification, please do not hesitate to get in touch with us.

We look forward to further strengthening our existing relationship and assure you of our best services.

Yours sincerely,

For ICRA Limited

[Mythri Macherla]
Assistant Vice President
mythri.macherla@icraindia.com

[Mathew Kurian Eranat]
Vice President
mathew.eranat@icraindia.com



Encl:

'No Default Statement on the Company Letter Head'

To,

ICRA Limited
Building No. 8, 2nd Floor, Tower A,
DLF Cyber City, Phase II, Gurugram -122002

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ICRA

Name of Lender	Nature of obligation	Date of Default	Current default amount	Amount to be paid	Actual Date of Payment (if any)	Remarks
Text	Term Loan, CC					
.						
Row 2						

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Name of the Instrument	ISIN	Amount to be paid	Due Date of Payment	Actual Date of Payment	Remarks
NCD					

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Yours faithfully,

<Authorized Signatory of Issuer>

Mythra

Matt