



ICRA

ICRA Limited

**CONFIDENTIAL**

**Ref: ICRA/ Natco Pharma Limited / 27042023/ 1**

**Date: April 27, 2023**

**Mr. S.V.V.N. Apparao**  
**Chief Financial Officer**  
**Natco Pharma Limited**  
Road No:2, Banjara Hills  
Hyderabad - 500 031

Dear Sir,

**Re: Surveillance of ICRA-assigned Credit Rating for Rs. 1,150.00 crore Bank Facilities of Natco Pharma Limited (instrument details in Annexure)**

Please refer to the Rating Agreement executed between ICRA Limited ("ICRA") and your company whereby ICRA is required to review the ratings on your company's debt on an annual basis, or as and when the circumstances warrant.

The Rating Committee of ICRA, after due consideration, has **reaffirmed the long-term rating at [ICRA]AA (pronounced ICRA double A) and reaffirmed the short-term rating at [ICRA]A1+ (pronounced ICRA A one plus) ("Rating")** for the bank facilities of Rs 1,150.00 crore. The outlook on the long-term rating is **Stable**.

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

The aforesaid ratings will be due for surveillance any time before April 20, 2024. However, ICRA reserves the right to review and/or, revise the above ratings at any time on the basis of new information becoming available, or the required information not being available, or other circumstances that ICRA believes could have an impact on the ratings assigned. Therefore, request the lenders and investors to visit ICRA website at [www.icra.in](http://www.icra.in) for latest Rating(s) of the Company.

The ratings are specific to the terms and conditions of the bank facilities as indicated to us by you, and any change in the terms or size of the same would require a review of the ratings by us. In case there is any change in the terms and conditions or the size of the rated bank facilities, the same must be brought to our notice before the facility is used by you. In the event such changes occur after the ratings have been assigned by us and their use has been confirmed by you, the ratings would be subject to our review, following which there could be a change in the ratings previously assigned. Notwithstanding the foregoing, any change in the overall limit of the bank facilities 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 rating(s) assigned must be understood solely as an opinion and should not be treated, or cause to be treated, as recommendation to buy, sell, or hold the rated bank facility availed by your company.

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), or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. 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 authorities is exceeded.

We look forward to your communication and assure you of our best services.

With kind regards,

Yours sincerely,

For ICRA Limited

**SRI KUMAR**

**KRISHNAMURTHY**

Digitally signed by SRI KUMAR  
KRISHNAMURTHY

Date: 2023.04.27 17:49:37 +05'30'

Srikumar Krishnamurthy  
Vice President and Co-Group Head  
[ksrikumar@icraindia.com](mailto:ksrikumar@icraindia.com)



**Details of Bank Limits Rated by ICRA**

| Details of Bank Limits Rated by ICRA<br>(on long term scale)                       | Amount          | Rating                          | Rating Assigned on |
|------------------------------------------------------------------------------------|-----------------|---------------------------------|--------------------|
| <b>Fund Based Working Capital Limits</b>                                           |                 |                                 |                    |
| Indian Bank                                                                        | 100.00          | [ICRA]AA (Stable)               | April 21, 2023     |
| State Bank of India                                                                | 100.00          |                                 |                    |
| Punjab National Bank                                                               | 15.00           |                                 |                    |
| Union Bank of India                                                                | 6.50            |                                 |                    |
| Citibank N.A.                                                                      | 100.00          |                                 |                    |
| Axis Bank Limited                                                                  | 40.00           |                                 |                    |
| IndusInd Bank Limited                                                              | 115.00          |                                 |                    |
| ICICI Bank Limited                                                                 | 80.00           |                                 |                    |
| RBL Bank Limited                                                                   | 40.00           |                                 |                    |
| HDFC Bank Limited                                                                  | 120.00          |                                 |                    |
| MUFG Bank Limited                                                                  | 100.00          |                                 |                    |
| Federal Bank Limited                                                               | 50.00           |                                 |                    |
| <b>Sub-Total</b>                                                                   | <b>866.50</b>   |                                 |                    |
| <b>Details of Bank Limits Rated by ICRA<br/>(on short term scale)</b>              |                 |                                 |                    |
| <b>Non-Fund Based Working Capital Limits</b>                                       |                 |                                 |                    |
| Indian Bank                                                                        | 30.00           | [ICRA]A1+                       | April 21, 2023     |
| State Bank of India                                                                | 20.00           |                                 |                    |
| Punjab National Bank                                                               | 5.00            |                                 |                    |
| Citibank N.A.                                                                      | 20.00           |                                 |                    |
| Axis Bank Limited                                                                  | 10.00           |                                 |                    |
| <b>Sub-Total</b>                                                                   | <b>85.00</b>    |                                 |                    |
| <b>Details of Bank Limits Rated by ICRA<br/>(on long term / short term scale)*</b> |                 |                                 |                    |
| <b>Fund based/Non-Fund Based Interchangeable Limits</b>                            |                 |                                 |                    |
| Yes Bank Limited                                                                   | 14.00           | [ICRA]AA (Stable)/<br>[ICRA]A1+ | April 21, 2023     |
| Kotak Mahindra Bank Limited                                                        | 141.00          |                                 |                    |
| <b>Sub-Total</b>                                                                   | <b>155.00</b>   |                                 |                    |
| <b>Unallocated limits</b>                                                          | <b>43.50</b>    |                                 |                    |
| <b>Total</b>                                                                       | <b>1,150.00</b> |                                 |                    |

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



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**Mr. S.V.V.N. Apparao**  
**Chief Financial Officer**  
**Natco Pharma Limited**  
Road No:2, Banjara Hills  
Hyderabad - 500 031

Dear Sir,

**Re: Surveillance of ICRA-assigned Credit Rating for Rs. 400.00 crore of Commercial Paper (CP) programme of Natco Pharma Limited**

Please refer to the Rating Agreement executed between ICRA Limited ("ICRA") and your company whereby ICRA is required to review the ratings on your company's debt on an annual basis, or as and when the circumstances warrant.

The Rating Committee of ICRA, after due consideration, has **reaffirmed the short-term rating at [ICRA]A1+ (pronounced ICRA A one plus) ("Rating")** for the CP programme of Rs 400.00 crore. Instruments with [ICRA] A1+ rating indicate a very strong degree of safety regarding timely payment of financial obligations. Such securities carry the 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+**.

The Rating(s) assigned to the CP of your Company shall require revalidation if there is any change in the size or structure of the rated CP. In case there is any change in the terms and conditions or the size of the rated CP, the same must be brought to our notice before the CP is used by you. In the event such changes occur after the Ratings have been assigned by us and their use has been confirmed by you, the Ratings would be subject to our review, following which there could be a change in the Ratings previously assigned.

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, once the instrument is issued, the rating is valid throughout the life of the captioned programme (which shall have a maximum maturity of twelve months from the date of the issuance of the instrument).

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- c) Notwithstanding anything containing in clause (b) above, 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.
- d) The Rating(s), as aforesaid, however, should not be treated as a recommendation to buy, sell or hold CP issued by you. The Rating(s) is restricted to your CP programme size of Rs. 400.00 crore only. In case, you propose to enhance the size of the CP programme, the same would require 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 CP.

You are 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. You are also requested to keep us forthwith 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), or occurrence of any significant development that could impact the ability of the company to raise funds such as restriction imposed by any authority from raising funds through issuance of debt securities through electronic bidding system. 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. 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

**SRI KUMAR  
KRISHNAMURTHY**

Digitally signed by SRI KUMAR  
KRISHNAMURTHY

Date: 2023.04.27 17:48:47 +05'30'

Srikumar Krishnamurthy  
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