

September 14, 2010

**CARE REVISES THE RATING ASSIGNED TO BANK FACILITIES OF  
APTUIT LAURUS PVT LTD**

**Ratings**

<b>Facilities/Instruments</b>	<b>Amount (Rs. crore)</b>	<b>Ratings<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	<b>229.90</b> (size enhanced from <b>Rs. 203.00 crores</b> )	<b>'CARE BBB'</b> (Triple B Minus)	Revised from CARE BB+ [Double B Plus]
Short-term Bank Facilities	<b>64.00 (Size enhanced from Rs.22.00 crores)</b>	<b>'PR3'</b> (PR Three)	Revised from PR4 [PR Four]
<b>Total Facilities</b>	<b>293.90</b>		

**Rating Rationale**

The revision in rating takes into account improvement in financial risk profile of the company backed by significant growth in the top line, company achieving its maiden profit, improved gearing & liquidity ratios and approval of manufacturing facilities by USFDA. The rating continues to take into account the experience of the promoters in the pharmaceuticals industry, MHRA-UK approval for the API manufacturing facility, reputed customer base with long term contracts, foray in the Chinese market, 14 Drug Master Files (DMFs) filed with USFDA and EU countries, 34 product & process patents filed and positive industry prospects. The rating is however, constrained by limited track record of the company, sales concentration from few major products and considerably high gearing. Continuous addition of new API products to its portfolio without impairing the profitability and infusion of the envisaged equity investment from Aptuit (Singapore) Pvt Ltd are the key rating sensitivities.

**Company profile.**

Aptuit Laurus Pvt Ltd was promoted in 2005 by Dr. C. Satyanarayana, who is currently its Chief Executive Officer. In FY08, ALPL entered into strategic partnership agreement with Aptuit (Singapore) Pvt Ltd. (ASPL), subsidiary of Aptuit Inc. Wherein ASPL agreed to invest in ALPL based on its performance to pick up the controlling stake in the company over a period of 4 years. The company has already received amount of Rs.100 Crore in June 2007 from ASPL and ASPL presently holds 39.83% stake in the company. ALPL has three business segments i.e. Research and Development centre for

<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications

Contract Research and manufacturing services, Drug Substancemanufacturing facility and Informatics (software) at Hyderabad, Visakhapatnam and Bangalore respectively. The Commercial operation of the company started in Q3FY'08 with commencement of its production facility. The company received the USFDA approval for its manufacturing facilities during January 2010. ALPL recorded turnover of Rs.214 crores and achieved its maiden PAT of Rs.12 crores during year ended March 31<sup>st</sup>, 2010.

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