

August 27, 2010

**CARE ASSIGNS 'CARE BBB-' AND 'PR3' RATINGS TO THE BANK FACILITIES OF
RPG LIFE SCIENCES LIMITED****Ratings**

Facilities/Instruments	Amount (Rs. crore)	Ratings¹	Remarks
Long-term Bank Facilities	33.70	'CARE BBB' (Triple B Minus)	Assigned
Short-term Bank Facilities	8.40	'PR3' (PR Three)	Assigned
Long-term Loans	25.00	'CARE BBB' (Triple B Minus)	Assigned
Total Bank Facilities	67.10		

Rating Rationale

The ratings derive strength from group support and long track record of the promoters, diversified product portfolio across Active Pharmaceutical Ingredients (APIs) (both Synthetic and Biotech) as well as formulations catering to various therapeutic segments and long-term agreements with reputed pharma companies for contract manufacturing.

However, the ratings are constrained by the financial risk profile characterised by moderate liquidity indicators and leverage position. Further, the ratings also factor in the volatile nature of raw material prices.

Timely completion of on-going upgradation of facilities and receipt of USFDA approval for the facilities are the key rating sensitivities.

Company Profile

RPGLS, a part of RPG group, is an integrated pharma company with presence in manufacturing of APIs (both synthetic and Biotech) and formulations under its own brand name as well as contract manufacturing for large pharma companies.

¹Complete definition of the ratings assigned are available at www.careratings.com and in various CARE publications

During FY10, RPGLS reported a PAT of Rs.10.80 crore on a total operating income of Rs.162.36 crore. The overall gearing ratio stood at 0.73x as on March 31, 2010.

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CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries /regulators or others are welcome to write to care@careratings.com for any clarifications.

Disclaimer

CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments.

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