

Brickwork Ratings has assigned 'BWR A' to MSN Laboratories

Business wire India

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Bangalore: 61% increase in FY-2007. As of 31st January 2009, MSN Labs has achieved 49% increase in PAT.

MSNL's key financial ratios are favorable and improving. In FY 2008, MSNL's debt equity ratio was just 0.71 and even as of 31st Jan 2009 it is about 0.40. Company's debt service coverage ratio improved from 0.25 in FY 2007 to 1.42 in FY2008, to 1.71 as of 31st Jan 2009. Interest coverage ratio improved to 5.64 as of 31st Jan 2009 from 3.86 in FY 2008. Net worth improved to INR 167.69 Million in FY 2008 from INR 102.89 Million in FY 2007, and further improved to INR 256.55 Million as of 31st Jan 2009.

Industry Scenario:

Indian Pharmaceutical Industry Touched a Turnover of INR 250 Billion at the end of the 10th five year plan (2002-07). Pharmaceutical industry has grown 1.5-1.6 times the growth of the economy over the past couple of years. The global outsourcing is expected to reach USD 31 Billion by 2010 from USD 20 Billion at present. Indian pharmaceutical industry witnessed growth rate of about 10% over the last few years, expected to touch USD 12 Billion by 2010. The industry has grown at a CAGR of 13% from 2002-07 and expected to grow at a CAGR of 16% over 2007-2011.

Rating Outlook:

The overall outlook for the industry is showing positive signs of growth. The BWR rating 'A' assigned to MSNL's issue of debt paper has factored the Company's consistent growth in business, management quality, its core competency and focus on manufacturing bulk API and intermediates, R&D process, increasing number of process patents, capacity to seize opportunities when patents expire, efficiency in manufacturing and meeting international standards and expanding client base. Brickwork feels that the current economic conditions are not likely to significantly affect the business of the company. Continuity of the aforementioned factors and good established practices will be the key drivers of MSNL's future business growth.

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