

Ciro Pharma Private Limited

April 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	120.00	CARE D	Reaffirmed
Long Term / Short Term Bank Facilities	20.00	CARE D / CARE D	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to the bank facilities of CIRO Pharma Private Limited (CPPL) is on account of delays in interest servicing towards the project term loan rated by CARE Ratings Ltd (CARE).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Company's ability to meet the curing period guidelines as stipulated by SEBI by demonstrating a delay free track record.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of key rating drivers:

Key weaknesses

Delays in Debt Servicing Obligations

There was a delay in interest servicing in the project term loan. As per the latest bank statements there have been instances of delay in interest servicing in its project term loan.

Exposure to regulatory risk

The company is exposed to regulatory risk as the pharmaceutical industry is highly regulated in many other countries and requires various approvals, licenses, registrations and permissions for business activities. The approval process for a new product registration is complex, lengthy and expensive. Apart from above the ability of the company to continue to observe the regulatory and Current Good Manufacturing Practices (CGMP) standards without receiving any critical observations from regulatory authorities are viewed critically from business and credit risk point of view.

Key strength

Experienced and resourceful promoters, and a qualified management team

CIRO Pharma is promoted by Dr. K. Govinda Reddy and three other directors: Smt. K. Harshitha Reddy, Mr. Y Madhusudan Reddy, and Mr. K Someshwar. Dr. K. Govinda Reddy has 27 years of experience as the Managing Director of KGR Industries, primarily involved in the export and import of mining equipment. Additionally, he has a decade of experience as an educationalist, leading KGR Institutions, with KGR Institute of Technology and Management being a prominent entity. Mr. Y Madhusudan Reddy serves as the Secretary & Correspondent to Lenora Institute of Dental Sciences & Hospital in Rajahmundry, Andhra Pradesh, established in 2008. He is also a director of Bell Pharmaceuticals, engaged in contract development and manufacturing of different formulations. Smt. K Harshitha Reddy is the director of Planet India Remedies Pvt Ltd, a US FDA approved facility engaged in the manufacturing of packaging materials and HDPE containers of various sizes. Dr. K. Someshwar, a pharmacist and research scientist, has over 20 years of experience in various pharmaceutical industries, including roles at Dr. Reddy's Laboratories, KP Labs (as CEO), and Veritaz Pharma (A unit of Aurobindo Pharma). He is also a member of Indian Pharmaceutical Association (IPA), Indian Pharmacological Society (IPS), among others. Additionally, KGR Rigs and Mining Equipment has extended a corporate guarantee to CIRO Pharma for its term debt.

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Liquidity: Poor

Liquidity is poor marked by minimal cashflow generation as of now as the company started commercial operations from November 2024.

Assumptions/Covenants- Not Applicable**Environment, social, and governance (ESG) risks-** Nil**Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

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[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry**Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

CIRO Pharma Private Limited was incorporated in July 2020, with a focus on manufacturing, formulating, and processing various biopharmaceuticals and antibiotics, particularly life-saving formulations such as anti-cancer products. The company has acquired 6.37 acres of land in Siddipet District, Telangana, for its facility from Telangana State Industrial Infrastructure Corporation Limited (TSIIC Ltd). CIRO Pharma aims to initially sell its products domestically through third-party pharmaceutical companies. The company also plans to set up a R&D facility at the same location. The project was initially expected to achieve COD in April 2024. However, due to a change in scope aimed at increasing capacity, the revised project cost, factoring in revised cost, now stands at ₹298 crore. The additional cost was funded by the promoters. With the project revision, the revised COD was set for November 2024, which the company successfully achieved.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	0.00	0.00	0.02
PBILDT	-0.30	-0.51	-5.20
PAT	-0.33	-0.68	-5.32
Overall gearing (times)	001	0.64	1.25
Interest coverage (times)	NM	-11.02	-83.27

A: Audited UA: Unaudited NM: Not meaningful; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	September 2033	120.00	CARE D
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	20.00	CARE D / CARE D

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	120.00	CARE D	1)CARE D (11-Mar-25)	1)CARE BB; Stable (30-Jan-24)	-	-
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	20.00	CARE D / CARE D	1)CARE D / CARE D (11-Mar-25)	1)CARE BB; Stable / CARE A4 (30-Jan-24)	-	-

LT: Long term;; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities- Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact Us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Karthik Raj K Director CARE Ratings Limited Phone: E-mail: karthik.raj@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in	Mohammed Javed Ansari Assistant Director CARE Ratings Limited Phone: 914040020131 E-mail: Mohammed.A@careedge.in
	Vineeth Mididoddi Analyst CARE Ratings Limited E-mail: vineeth.mididoddi@careedge.in

About us:

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