

Ciro Pharma Private Limited

July 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	120.00	CARE B-; Stable	Upgraded from CARE D ; Stable outlook assigned
Long Term / Short Term Bank Facilities	20.00	CARE B-; Stable / CARE A4	Upgraded from CARE D / CARE D ; Stable outlook assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in the ratings assigned to the bank facilities of Ciro Pharma Private Limited factors in delay free track record for a period of more than 90 days, satisfactory conduct of the account, as confirmed by the lenders. However, the operations continue to remain loss-making, and the rating remains constrained by the company's weak financial risk profile. Nevertheless, the ratings draw comfort from the experienced promoter group and their continued funding support to the company.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Ability of the company to turnaround the operations along with generation of profits, and achievement of envisaged revenue.
- Improvement in liquidity position

Negative factors

- Lower than envisaged sales and profitability.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CARE Ratings) believes that entity will benefit from its qualified promoter group.

Detailed description of key rating drivers:

Key weaknesses

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 strengths

Delay free track record

The company has maintained a delay-free track record for a period of more than 90 days, with satisfactory conduct as confirmed by the lenders. Timely repayments for the months of April 2025, May 2025, and June 2025 have been verified through bank statements provided by the client.

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

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

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.

Stable industry outlook

The Indian pharmaceutical sector is poised for robust growth, with projections indicating an approximate 9% increase during FY25-FY27. This growth is driven by structural trends such as domestic market expansion anticipated from a 4% price increase, new product introductions, a growing share in chronic therapies, and deeper market penetration in tier-2 and tier-3 cities. These developments are supported by increasing consumer awareness, enhanced digital engagement, and strategic industry consolidation through mergers and acquisitions to bridge gaps in brands and therapeutic areas. In the export sector, growth is expected from diversifying into specialty molecules, capitalizing on opportunities in the off-patent market, and increased penetration into ROW markets. Historically, the credit profile of Indian pharmaceutical firms has been stable, sustained by robust profitability and a minimal reliance on debt, a trend that is likely to continue.

Liquidity: Poor

Liquidity remains poor, marked by minimal cash flow generation given that the company commenced commercial operations from November 2024. However, the liquidity position is supported by the resourceful promoters, who have infused funds to meet debt repayment obligations and support working capital requirements.

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](#)

[Pharmaceuticals](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Policy On Curing Period](#)

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)	0.01	0.64	1.25
Interest coverage (times)	-NM	-11.02	-83.27

A: Audited 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 B-; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	20.00	CARE B-; Stable / CARE A4

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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	120.00	CARE B-; Stable	1)CARE D (02-Apr-25)	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 B-; Stable / CARE A4	1)CARE D / CARE D (02-Apr-25)	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.

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