



**Press Release**  
**Seutic Labs Private Limited**  
**December 04, 2024**

**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	29.98	ACUITE C   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	0.02	-	ACUITE A4   Downgraded   Issuer not co-operating*
<b>Total Outstanding Quantum (Rs. Cr)</b>	30.00	-	-
<b>Total Withdrawn Quantum (Rs. Cr)</b>	0.00	-	-

\* The issuer did not co-operate; based on best available information.

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) and its short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs.30.00 crore bank facilities of Seutic Labs Private Limited (SLPL). The rating is now flagged as "Issuer Not-Cooperating" and is based on the best information available. The downgrade is based on the CRIF Highmark report, which shows delays in the unsecured business loan account in November 2024 and also in the cash credit account that shows continuous overdrawls of 34 days in October 2024.

**About the Company**

Seutic Labs Private Limited was incorporated as a private limited company in 2016 and promoted by Mr. Valivarthi Siva Vara Prasad (holds 60% stake) and his wife Padma Valivarthi (holds 40% stake). The company is engaged in the manufacture bulk drug intermediates. The same have applications in segments of cardiovascular and antibiotics. SLPL has its manufacturing facility at KIADB Industrial Area, Humnabad, Bidar, Karnataka with an installed capacity of 50 Metric Tons Per annum.

**Unsupported Rating**

Not Applicable

**Non-cooperation by the issuer/borrower**

Acuite has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**Limitation regarding information availability**

The rating is based on information available from sources other than the issuer/borrower (in the absence of

information provided by the issuer/borrower). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### **Rating Sensitivities**

No information provided by the issuer / available for Acuite to comment upon

**Liquidity Position**

No information provided by the issuer / available for Acuite to comment upon

**Outlook: Not Applicable****Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Provisional)	FY 22 (Actual)
Operating Income	Rs. Cr.	120.75	137.41
PAT	Rs. Cr.	3.92	0.62
PAT Margin	(%)	3.24	0.45
Total Debt/Tangible Net Worth	Times	2.43	2.87
PBDIT/Interest	Times	2.62	1.74

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Sep 2023	Proposed Short Term Bank Facility	Short Term	0.02	ACUITE A4+ (Upgraded from ACUITE A4)
	Cash Credit	Long Term	22.00	ACUITE BB-   Stable (Upgraded from ACUITE B+)
	Term Loan	Long Term	0.78	ACUITE BB-   Stable (Upgraded from ACUITE B+)
	Covid Emergency Line.	Long Term	1.30	ACUITE BB-   Stable (Upgraded from ACUITE B+)
	Covid Emergency Line.	Long Term	1.90	ACUITE BB-   Stable (Upgraded from ACUITE B+)
	Cash Credit	Long Term	4.00	ACUITE BB-   Stable (Upgraded from ACUITE B+)
24 Jul 2023	Bills Discounting	Short Term	12.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	13.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
25 Apr 2022	Bills Discounting	Short Term	12.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	13.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	5.00	ACUITE B+ (Reaffirmed & Issuer not co-operating*)
25 Jan 2021	Bills Discounting	Short Term	12.00	ACUITE A4 (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	13.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)
	Term Loan	Long Term	5.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB-)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.00	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE BB- )
HSBC	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE BB- )
Union Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.30	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE BB- )
Union Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.90	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE BB- )
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.02	Simple	ACUITE A4   Downgraded   Issuer not co-operating* ( from ACUITE A4+ )
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.78	Simple	ACUITE C   Downgraded   Issuer not co-operating* ( from ACUITE BB- )

\* The issuer did not co-operate; based on best available information.

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Abhishek Singh Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

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