

Press Release
EvertoGen Life Sciences Limited
April 22, 2024



Rating Reaffirmed and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---|------------------|---|---|
| Bank Loan Ratings | 45.20 | ACUITE B- Reaffirmed Issuer not co-operating* | - |
| Bank Loan Ratings | 16.00 | - | ACUITE A4 Reaffirmed Issuer not co-operating* |
| Total Outstanding Quantum (Rs. Cr) | 61.20 | - | - |

Rating Rationale

Acuité has reaffirmed its long-term rating of '**ACUITE B-**' (read as **ACUITE B Minus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 61.20 Cr. bank facilities of EVERTOGEN LIFE SCIENCES LIMITED (EvertoGen). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

EvertoGen Life Sciences Limited (erstwhile Optimus Generics Limited) was incorporated on January 11, 2013 as a subsidiary of Glochem Industries Private Limited to enter into the formulations business. Subsequently, on June 9, 2015, GIPL transferred its holding in EvertoGen to its group company; GIL Agro Private Limited; (GAPL). Presently, EvertoGen is a 51:49 Joint Venture (JV) between Glochem group and Organosyn Life Sciences Private Ltd (Organosyn).

Based in Hyderabad, Telangana, EvertoGen is engaged in manufacturing of formulations i.e. finished dosages with Capacity of 2 billion units per annum (Tablets – 1,800 million; Capsules – 200 million; Sachets – 15 million) at its facilities located in the Special Economic Zone (SEZ), Green Industrial Park, Jadcherla, Mahaboobnagar Dist. of Telangana. Besides, EvertoGen is also engaged in business of product development and contract manufacturing. The plant commenced commercial production from December, 2014. EvertoGen is promoted and managed by Mr. Kattamuri Subbarao who has more than three decades of experience in the pharmaceutical industry.

Unsupported Rating

Not Applicable

Non-cooperation by the issuer/borrower:

Acuité 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. Acuité 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 Acuité'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 endeavored 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 Sensitivity

"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 (Actual) | FY 22 (Actual) |
|-------------------------------|---------|----------------|----------------|
| Operating Income | Rs. Cr. | 58.52 | 37.88 |
| PAT | Rs. Cr. | (13.24) | (21.94) |
| PAT Margin | (%) | (22.62) | (57.92) |
| Total Debt/Tangible Net Worth | Times | (6.24) | 11.59 |
| PBDIT/Interest | Times | (0.64) | (2.22) |

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Service Sector: <https://www.acuite.in/view-rating-criteria-50.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite'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.

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|----------------------------------|----------------------------------|------------------|-----------------|--|
| 24 Jan 2023 | Letter of Credit | Short Term | 6.00 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Letter of Credit | Short Term | 10.00 | ACUITE A4 (Reaffirmed & Issuer not co-operating*) |
| | Term Loan | Long Term | 4.50 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | PC/PCFC | Long Term | 6.00 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | Term Loan | Long Term | 1.64 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | Term Loan | Long Term | 0.10 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | Cash Credit | Long Term | 12.00 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | Cash Credit | Long Term | 12.00 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | Working Capital Term Loan | Long Term | 3.26 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | Working Capital Term Loan | Long Term | 1.43 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | Working Capital Term Loan | Long Term | 1.79 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | Proposed Long Term Bank Facility | Long Term | 2.48 | ACUITE B- Not Applicable (Reaffirmed & Issuer not co-operating*) |
| | 03 Dec 2021 | Letter of Credit | Short Term | 10.00 |
| Letter of Credit | | Short Term | 6.00 | ACUITE A4 (Reaffirmed) |
| Proposed Long Term Bank Facility | | Long Term | 2.48 | ACUITE B- Stable (Reaffirmed) |
| Working Capital Term Loan | | Long Term | 1.79 | ACUITE B- Stable (Reaffirmed) |
| Working Capital Term Loan | | Long Term | 1.43 | ACUITE B- Stable (Reaffirmed) |
| Working Capital Term Loan | | Long Term | 3.26 | ACUITE B- Stable (Reaffirmed) |
| Cash Credit | | Long Term | 12.00 | ACUITE B- Stable (Reaffirmed) |
| Cash Credit | | Long Term | 12.00 | ACUITE B- Stable (Reaffirmed) |
| Term Loan | | Long Term | 0.10 | ACUITE B- Stable (Reaffirmed) |
| Term Loan | | Long Term | 1.64 | ACUITE B- Stable (Reaffirmed) |
| PC/PCFC | | Long Term | 6.00 | ACUITE B- Stable (Reaffirmed) |
| Term Loan | | Long Term | 4.50 | ACUITE B- Stable (Reaffirmed) |

Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Complexity Level | Quantum (Rs. Cr.) | Rating |
|----------------------|----------------------|----------------------------------|----------------------|----------------------|----------------------|------------------|-------------------|---|
| Axis Bank | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 12.00 | ACUITE B- Reaffirmed Issuer not co- operating* |
| Punjab National Bank | Not avl. / Not appl. | Cash Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 12.00 | ACUITE B- Reaffirmed Issuer not co- operating* |
| Axis Bank | Not avl. / Not appl. | Letter of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 6.00 | ACUITE A4 Reaffirmed Issuer not co- operating* |
| Punjab National Bank | Not avl. / Not appl. | Letter of Credit | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 10.00 | ACUITE A4 Reaffirmed Issuer not co- operating* |
| ICICI Bank Ltd | Not avl. / Not appl. | PC/PCFC | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 6.00 | ACUITE B- Reaffirmed Issuer not co- operating* |
| Not Applicable | Not avl. / Not appl. | Proposed Long Term Bank Facility | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 2.48 | ACUITE B- Reaffirmed Issuer not co- operating* |
| Axis Bank | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 4.50 | ACUITE B- Reaffirmed Issuer not co- operating* |
| ICICI Bank Ltd | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 1.64 | ACUITE B- Reaffirmed Issuer not co- operating* |
| Punjab National Bank | Not avl. / Not appl. | Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 0.10 | ACUITE B- Reaffirmed Issuer not co- |

| | | | | | | | | |
|----------------------|----------------------|---------------------------|----------------------|----------------------|----------------------|--------|------|---|
| | | | | | | | | operating* |
| Axis Bank | Not avl. / Not appl. | Working Capital Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 3.26 | ACUITE B- Reaffirmed Issuer not co- operating* |
| ICICI Bank Ltd | Not avl. / Not appl. | Working Capital Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 1.43 | ACUITE B- Reaffirmed Issuer not co- operating* |
| Punjab National Bank | Not avl. / Not appl. | Working Capital Term Loan | Not avl. / Not appl. | Not avl. / Not appl. | Not avl. / Not appl. | Simple | 1.79 | ACUITE B- Reaffirmed Issuer not co- operating* |

Contacts

| Analytical | Rating Desk |
|--|--|
| Mohit Jain Senior Vice President-Rating Operations Tel: 022-49294017 mohit.jain@acuite.in | Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in |
| Abhishek Singh Analyst-Rating Operations Tel: 022-49294065 abhishek.s@acuite.in | |

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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