

January 31, 2025

Maxcure Nutravedics Ltd.: Update on material Event

Summary of rating action

| Instrument* | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|---|--------------------------------------|-------------------------------------|---|
| Long-term/short-term – fund based/non-fund based working capital limits | 174.00 | 174.00 | [ICRA]AA(Stable)/ [ICRA]A1+; outstanding |
| Unallocated limits | 9.00 | 9.00 | [ICRA]AA(Stable) / [ICRA]A1+; outstanding |
| Total | 183.00 | 183.00 | |

*Instrument details are provided in Annexure-I

Rationale

Material Event

On January 22, 2025, and January 23, 2025, Akums Drugs & Pharmaceuticals Limited (ADPL) informed the stock exchanges regarding searches initiated by the Income Tax (IT) department at few offices and manufacturing units of the company, its subsidiaries and the residences of few of its employees/key managerial personnel from January 15, 2025, till 11:00 pm on January 21, 2025. As per the company's exchange disclosure, it has not yet received any written communication from the IT department regarding the outcome of the search.

Impact of Material Event

Based on ADPL's disclosures and discussions with the management, ICRA understands that the business and operations of the company continued without any disruptions except some minor operational hiccups. Moreover, there have been no demands which have been raised on the company as of date. ICRA also notes that the company's liquidity position continues to remain adequate with minimal utilisation of working capital limits and there has been no impact on the availability of bank funding. ICRA would continue to monitor closely, any such developments related to this event and take appropriate rating action, if necessary.

Please refer to the following link for the previous detailed rationale that captures the key financial indicators, key rating drivers and their description, liquidity position, rating sensitivities: [click here](#)

Analytical approach

| Analytical Approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology Pharmaceuticals |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | ICRA has taken a consolidated view of ADPL and its subsidiaries, PCHPL, MLPL and MNL, while assigning the credit ratings, given the common management and significant operational and financial linkages among the entities. For arriving at the ratings, ICRA has considered the consolidated financials of ADPL. As on March 31, 2024, the company had 14 subsidiaries and one step down subsidiary, which are all enlisted in Annexure II. |

About the company

Incorporated in 1994, Maxcure Nutravedics Limited is a wholly-owned subsidiary of ADPL. Initially, the company traded raw materials and packing materials used in the pharmaceutical industry. Later, it was acquired by ADPL and, in 2010, a manufacturing facility was set up for nutraceuticals, food supplements, herbal and Ayurvedic formulations, and veterinary feed supplements. MNL generates most of its revenues from the trading segment (more than 80%) and the rest from the manufacturing segment.

Incorporated in 2004, ADPL is a leading contract manufacturer of formulations for domestic as well as multinational pharmaceutical and wellness companies in India. ADPL has 12 manufacturing facilities in Uttarakhand and Himachal Pradesh for its formulations manufacturing business and three manufacturing units in Punjab and Haryana for its API manufacturing business. These manufacturing units are housed under ADPL and its various subsidiaries. The Group has commercialised more than 4,000 formulations across more than 60 dosage forms.

In FY2020, the company raised Rs. 500 crore from Quadria Capital in exchange for a 15.09% stake, of which Rs. 320.0 crore was infused into the company and the balance was paid to the promoters against sale of shares. Subsequently, ADPL came out with an IPO in August 2024.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

| Current (FY2025) | | | Chronology of rating history for the past 3 years | | | | | | | | |
|---|-----------------------|-------------------------|---|-------------|------------------------------|-------------|---------------------|-------------|---------------------|-------------|---------------------|
| | | | FY2025 | | | FY2024 | | FY2023 | | FY2022 | |
| Instrument | Type | Amount Rated (Rs Crore) | Jan 31, 2025 | Date | Rating | Date | Rating | Date | Rating | Date | Rating |
| Unallocated Limits | Long term/ Short term | 9.00 | [ICRA]AA (Stable)/ [ICRA]A1+ | 09-OCT-2024 | [ICRA]AA (Stable)/ [ICRA]A1+ | - | - | - | - | - | - |
| Fund-based/ non-fund based working capital limits | Long term/ Short term | 174.00 | [ICRA]AA (Stable)/ [ICRA]A1+ | 09-OCT-2024 | [ICRA]AA (Stable)/ [ICRA]A1+ | - | - | - | - | - | - |
| Fund-based limits | Long term | - | - | - | - | 08-SEP-2023 | [ICRA] AA- (Stable) | 30-JUN-2022 | [ICRA] AA- (Stable) | 09-JUN-2021 | [ICRA] AA- (Stable) |
| Non-fund based working capital facilities | Short term | - | - | - | - | 08-SEP-2023 | [ICRA] A1+ | 30-JUN-2022 | [ICRA] A1+ | 09-JUN-2021 | [ICRA] A1+ |

Complexity level of the rated instruments

| Instrument | Complexity Indicator |
|--|----------------------|
| Long-term short-term fund based/ non fund based working capital limits | Simple |
| Unallocated limits | NA |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

| ISIN | Instrument Name | Date of Issuance | Coupon Rate | Maturity | Amount Rated (Rs. crore) | Current Rating and Outlook |
|------|------------------------|------------------|-------------|----------|--------------------------|----------------------------|
| NA | Working capital limits | NA | NA | NA | 174.00 | [ICRA]AA(Stable)/[ICRA]A1+ |
| NA | Unallocated limits | NA | NA | NA | 9.00 | [ICRA]AA(Stable)/[ICRA]A1+ |

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

| Company Name | ADPL's Ownership | Consolidation Approach |
|--|------------------|------------------------|
| SUBSIDIARIES | | |
| Akumentis Healthcare Limited | 91.49% | Full Consolidation |
| Qualymed Pharma Private Limited | 100% | Full Consolidation |
| Akums Healthcare Limited | 100% | Full Consolidation |
| Burroughs Welcome Pharmacia Private Limited* | 99.93% | Full Consolidation |
| Amazing Research Laboratories Ltd* | 100% | Full Consolidation |
| Malik Lifesciences (P) Ltd | 100% | Full Consolidation |
| Maxcure Nutravedics Ltd | 100% | Full Consolidation |
| May & Baker Pharmaceuticals Ltd* | 100% | Full Consolidation |
| Nicholas Healthcare Ltd | 100% | Full Consolidation |
| Plenteous Pharmaceuticals Ltd | 100% | Full Consolidation |
| Pure & Cure Healthcare Private Limited | 100% | Full Consolidation |
| Unosource Pharma Ltd | 100% | Full Consolidation |
| Upadrish Reserchem LLP | 99.93% | Full Consolidation |
| Sarvagunaushdhi Private Limited | 100% | Full Consolidation |
| STEP DOWN SUBSIDIARIES | | |
| Medibox Pharma Private Limited | 100% | Full Consolidation |

Source: ADPL Q1 FY2025 results

Note: ICRA has taken a consolidated view of Akums Drugs & Pharmaceuticals Limited and its subsidiaries – Pure & Cure Healthcare Private Limited, Malik Lifesciences Private Limited and Maxcure Nutravedics Limited.

*Hived off on April 1, 2024

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