

## PRESS RELEASE

### EVEREST PARENTERALS PRIVATE LIMITED

April 2026

#### Ratings

Instrument/Facilities	Amount (NPR Mn)	Ratings	Rating Action
Long Term Bank Facilities	854.90 (Reduced from 1,037.04)	IRN BB	Upgraded from IRN BB-
Short Term Bank Facilities	205.00 (Increased from 200.00)	IRN A4	Reaffirmed
<b>Total</b>	<b>1,059.90</b>		

Details of facilities are in Annexure 1 below

Infomerics Credit Rating Nepal Limited (Infomerics Nepal) has upgraded the rating to IRN BB (Double B) from IRN BB- (Double B Minus) assigned to the long term bank facilities of NPR 854.90 Mn and reaffirmed the rating of IRN A4 (A Four) to the short term bank facilities of NPR 205.00 Mn.

#### Detailed Rationale

The upgradation of ratings assigned to the bank facilities of Everest Parenterals Private Limited (EPPL) factors in improved profitability as indicated by improved PAT margin of ~11% in FY25 from ~2% in FY24 and further ~12% as of H1FY26 owing to improved EBITDA margins (~47% in H1FY26 vis-à-vis ~34% in FY25 and ~32% in FY24) driven by a sale of high margin product along with improved cost efficiencies. Owing to improved profitability and low interest obligations, coverage indicators has improved as indicated by interest coverage ratio of ~5.03x in H1FY26 and ~2.57x in FY25 (FY24: 1.62x). The ratings also factor in improved TOI in H1FY26 (annualized growth of ~11% in FY26). The ratings continue to derive strength from parentage of experienced promoter group "Ranasaria Group" coupled with proficient management team. The ratings also factor in the proximity of the manufacturing unit to Indian border.

These rating strengths however are partially offset by leveraged albeit improving capital structure evident by overall gearing ratio of 3.82x as of mid-January 2026 and 5.03x as of mid-July 2025 (FY24: 7.38x). The ratings also remain constrained owing to working capital intensive nature of operations, reflected in working capital intensity of ~47% in FY25 (albeit improving from ~50% in FY24), driven by an elongated collection period of ~73 days and a stretched inventory holding period of ~193 days in FY25. Additionally, the ratings note exposure to the supplier concentration risk, regulatory risks due to its dependence on imports for raw materials and highly competitive and regulated pharmaceutical industry. Going forward, the ability of the company to scale up its operations and attain stabilization while improving its capital structure and debt service coverage indicators with prudent working capital management will remain key rating sensitivities.

#### Detailed Description of Key Rating Drivers

#### Key Rating Strengths

##### Experienced promoter supported by proficient management team

EPPL benefits from a strong leadership and management team, with the company being part of the Ranasaria Group, having diversified investments in sectors like steel and cement. The board is led by Ms. Neha Agrawal, who has around 2 decades of experience in relevant sector. Mr. Tushar Agrawal, Director, also possess over a decade of experience in similar sector. The management team is led by Mr. Umang Ranasaria, CEO, who has over a decade of experience across Telecom, FMCG, and Pharmaceuticals. Mr. Ranasaria is supported by experienced management team with Mr. Abani Kumar

Nanda, Plant Head, having over 2 decades of experience in the pharmaceutical industry. Furthermore, the team is aptly supported by professionally qualified and experienced management team.

### **Strategic location with marketing & distribution network**

The plant site is located in Bara, Nepal around 20 Kms from Indo-Nepal borders ICP Raxual. Since most of the raw materials and packing materials requirements of EPPL are imported from India, the factory's proximity to the border remains a positive point leading to saving in freight cost. Furthermore, EPPL has wide distribution network with around 200 distributors all over Nepal as of March 2026, distributing more than 100 products across multiple segments (SVP, LVP & ocular) under its own brand name "Everest".

### **Moderate financial profile with improving profitability metrics**

Total Operating Income (TOI) moderated to ~NPR 656 Mn in FY25 from ~NPR 677 Mn in FY24, primarily impacted by market conditions. However, revenue improved in H1FY26, with TOI of ~NPR 364 Mn, reflecting an annualized growth of ~11%, indicating a gradual recovery in sales momentum. Profitability strengthened during the period, with EBITDA margins improving to ~34% in FY25 from ~32% in FY24 and further to ~47% in H1FY26, driven by a sale of high margin product along with improved cost efficiencies. Consequently, PAT margins also improved to ~11% in FY25 and ~12% in H1FY26 from ~2% in FY24, supported by higher operating profits and lower interest burden. Owing to the same, the interest coverage ratio improved to ~2.57x in FY25 and further to ~5.03x in H1FY26 from ~1.62x in FY24. This led to improved cash generation, with Gross Cash Accruals (GCA) increasing to ~NPR 150 Mn in FY25 from ~NPR 84 Mn in FY24.

### **Key Rating Weaknesses**

#### **Leveraged albeit improving capital structure**

EPPL's capital structure improved, albeit remaining leveraged in FY25, with overall gearing moderating to 5.03x (FY24: 7.38x), and further improving to 3.85x as of mid-January 2026. The improvement in gearing was driven by a strengthening of the Tangible Net Worth (TNW) base, which increased to ~NPR 275 Mn in FY25 from ~NPR 175 Mn in FY24 and further to ~NPR 349 Mn in H1FY26, supported by gradual profit accretion. Similarly, the Total Outside Liabilities to Tangible Net Worth (TOL/TNW) ratio moderated, albeit remaining elevated, to 5.37x in FY25 and further to 4.26x in H1FY26 from 7.85x in FY24. However, debt service coverage ratio (DSCR) remained subdued at 0.70x in FY25 and 0.66x in H1FY26 as compared to 0.80x in FY24.

#### **Working capital intensive nature of business**

The company's operations are working capital intensive in nature. Although the working capital intensity improved marginally, it remained high at ~47% in FY25 (FY24: ~50%). The elevated working capital intensity is primarily attributable to an elongated collection period of ~73 days and a stretched inventory holding period of ~193 days in FY25 (FY24: ~62 days and ~159 days, respectively). However, EPPL's creditors period improved to ~17 days in FY25 from ~39 days in FY24. Correspondently, operating cycle has reached to 249 days in FY25 from 183 days in FY24 owing to increased inventory and collection period in FY24 and sustained increase in FY25 as well.

#### **Exposure to regulatory risks and dependence on import**

The company faces significant competitive pressures due to the presence of numerous well-established players in the domestic market. The industry's highly regulated nature, driven by its implications for public health, leaves the company vulnerable to potential adverse changes in government or regulatory policies, which could impact its business risk profile. Moreover, intense competition in the generic pharmaceutical market limits pricing flexibility. Key challenges in the sector include pricing pressures, stricter regulatory compliance, and increased sensitivity to product quality and performance. Additionally, EPPL's reliance on imported raw materials exposes it to risks associated with supply chain disruptions

**Analytical Approach:** Standalone

**Applicable Criteria:**

Corporate Credit Rating Methodology

**Past rating rationale:**

[Everest Parenterals Private Limited: Bank Facilities Rating Reaffirmed](#)

**About the Company:**

Incorporated in January 2010, Everest Parenterals Private Limited (EPPL) is a private limited company established for manufacturing Large Volume Parenterals (LVP) and Small Volume Parenterals (SVP) with ocular products. Its plant is located in Chattapipra-09, Bara, Nepal and has installed capacity of 76.95 MPPA in SVP & ocular segment and 25.65 MPPA in LVP segment. EPPL sell products under major brand "Everest". EPPL belongs to Everest Healthcare Group which is a part of Ranasaria Group where Ms. Neha Agrawal holds (92.82%) followed by Mr. Tushar Agrawal (7.14%).

**Financial Indicators (Standalone)**

For the year ended* As on	FY22	FY23	FY24	FY25	H1FY26
	Audited	Audited	Audited	Audited	Unaudited
Total Operating Income (NPR Mn)	209	442	677	656	364
EBITDA Margin (%)	Neg	3.88	31.62	33.63	47.93
Interest Coverage Ratio (x)	Neg	0.12	1.62	2.57	5.03
Total Debt/ EBITDA (x)	Neg	70.29	6.02	6.27	7.69
Current Ratio (x)	0.85	1.11	1.02	0.91	2.00
Overall Gearing Ratio (x)	4.43	6.57	7.38	5.03	3.85

\*Classification as per Infomerics Nepal standards

Earnings before Interest Tax Depreciation Amortization (EBITDA)

**Annexure:1 Detail of Facilities:**

Name of Instruments/ Facilities	Type of Facilities	Amount (NPR Mn)	Rating
Long Term Bank Facilities - Term Loan	Long Term	628.92	IRN BB
Long Term Bank Facilities - Permanent Working Capital Loan	Long Term	224.50	IRN BB
Long Term Bank Facilities - Hire Purchase Loan	Long Term	1.48	IRN BB
Short Term Bank Facilities - LC/BG*	Short Term	205.00	IRN A4
<b>Total Facilities</b>		<b>1,059.90</b>	

\*Letter of credit/Bank Guarantee

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# Infomerics Credit Rating Nepal Limited

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