

Themis Medicare Limited

August 12, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	77.39	CARE BBB-; Negative	Reaffirmed; Outlook revised from Stable
Short-term bank facilities	48.50	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Themis Medicare Limited (TML) continues to derive strength from comfortable capital structure, debt coverage indicators and adequate liquidity position. Ratings further continue to derive strength from experienced and qualified promoters and management team, long track record of operations, established relationship with reputed and diversified clientele, moderately concentrated supplier base, moderately diversified portfolio of products, and accredited manufacturing and Research and Development (R&D) facilities.

However, ratings continue to be constrained by moderate scale of operations, moderate profitability margins with net loss incurred in Q1FY26 (Q1 refers to April 01 to June 30), highly working capital-intensive operations, margins susceptible to fluctuation in input prices and forex risk, intense competition and presence in a fragmented industry, and project execution risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations with total operating income (TOI) increasing by 20% with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin exceeding 16% on a sustained basis.
- Sustenance of capital structure with overall gearing remain below 0.75x and debt coverage indicators with interest coverage remain above 4x on a sustained basis.
- Improvement in operating cycle below 180 days on a sustained basis.

Negative factors

- Deterioration in capital structure with overall gearing exceeding 1x and debt coverage indicators with interest coverage ratio reaching below 3x on a sustained basis.
- Deterioration in profit margins with PBILDT margin reaching below 13% on a sustained basis.
- Elongation of working capital cycle leading to deterioration in liquidity position on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has taken a consolidated view of TML and its subsidiaries Artemis Biotech Limited, Themis Lifestyle Private Limited, Dr. Themis Private Limited and Carpo Medical Limited. TML also has two associate companies, Gujarat Themis Biosyn Limited (rated CARE BBB; Stable/ CARE A3+) and Long Island Nutritionals Private Limited and one joint venture (JV), Richter Themis Medicare (India) Private Limited. Consolidated view has been taken considering TML's significant stake, same line of business and similar set of management. Details of entities considered for consolidation are listed under **Annexure-6**.

Outlook: Negative

The "Negative" outlook on the long-term ratings reflects CareEdge Ratings' expectation of continued pressure on profit margins in FY26 impacting its cash accruals. The outlook may be revised to stable in case of recovery in sales of its key products, leading to higher-than-envisaged improvement in its profit margins.

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

Detailed description of key rating drivers:

Key strengths

Experienced promoters with long track record of operations

TML was established in 1969 by Late Shantilal D Patel. The company is presently managed by Dr Dinesh Patel, Executive Chairman and his son Dr Sachin Patel, MD & CEO. Dr Dinesh Patel is a PhD in Medicinal Chemistry and has been the recipient of several industrial accolades. Under his guidance and control, TML introduced many new molecules and products over the years. Dr Sachin Patel holds a doctorate in Biological Chemistry from Christ's college, University of Cambridge, UK. Promoters are supported by well-qualified and experienced senior management comprising Indian and Hungarian personnels, having adequate experience in the industry.

Accredited manufacturing and R&D facilities and moderately diversified portfolio of products

TML operates a WHO-GMP-certified bulk drug / active pharmaceutical ingredients (API) manufacturing facility in Vapi, Gujarat. The Hyderabad facility boasts of multiple certifications, including European Union Good manufacturing practice (EUGMP), Central Drugs Standard Control Organization (CDSCO) and Goods manufacturing practice (GMP), and specialises in bulk drugs and formulations for treating tuberculosis, P. falciparum, and severe malaria cases. The Haridwar unit is certified by the Philippines FDA and EUGMP. TML also has an R&D division in Vapi, approved by the Department of Scientific and Industrial Research (DSIR), Government of India. The company also runs a biotechnology plant in Hyderabad and a finished dosage formulation plant in Haridwar. TML is mainly involved in two segments: API and formulation. The company has a diverse portfolio of products with over 240 products in formulations and six products in API.

Comfortable capital structure and debt coverage indicators

TML's financial risk profile is marked by capital structure and debt coverage indicators stood comfortable in the last five years ended FY25 due to healthy accretion of profits to reserves and moderate dependence on external debt. This is marked by overall gearing slightly improved and stood at 0.26x as on March 31, 2025, against 0.28x as on March 31, 2024, due to healthy accretion of profits to reserves.

Total debt to gross cash accruals (TD/GCA) moderated but stood comfortable at 2.29x in FY25 (against 1.73x in FY24), owing to deterioration in profitability, leading to a decline in absolute GCA level. Interest coverage ratio also slightly moderated despite remaining healthy at 5.04x in FY25 against 5.67x in FY24. The debt coverage significantly deteriorated in Q1FY26 due to operating loss incurred by the company. Hence, the company's ability to maintain the debt coverage indicators at envisaged levels remains key credit monitorable.

Established relationship with reputed and moderately concentrated clientele and supplier base

Due to long track record of the company's operations, TML has successfully built long-standing relationships with a moderately diverse and reputed customers and suppliers domestically and internationally. The company's major export destinations include Germany, Brazil, Uruguay, and Nigeria.

The customer base remained diverse, with top five customers (excluding related parties) accounting for 43.56% of total sales in FY25, compared to 21.56% in FY24. TML's supplier base remained moderately concentrated, with top five suppliers amounting for 42.43% of total raw material consumed in FY25, compared to 36.46% in FY24.

Key weaknesses

Moderate scale of operations and profitability margins with reduction in revenue and net loss incurred in Q1FY26

TML's scale of operations continued to remain moderate, with its TOI slightly increased by 6.15% in FY25 to ₹407.01 crore compared to TOI of ₹383.43 crore in FY24. This growth can be attributed to improved demand for the company's formulation segment of products from successful completion of capex and strengthened marketing team to facilitate business growth.

Profitability remained moderate and decline in FY25 over FY24 as marked by PBILDT margin of 12.43% in FY25 against 13.87% in FY24 due to losses in Q4FY25. However, profit after taxes (PAT) margin declined significantly in FY25 and stood at 7.33% (against 11.35% in FY24) due to losses incurred from its JV, Richter Themis Medicare (India) Private Limited, due to a fire incident on November 7, 2024.

In Q1FY26, the company's sales declined with TOI of ₹98.75 crore (against ₹123.95 crore in Q1FY25) and reported operating and loss of ₹8.91 crore and ₹14.24 crore respectively in Q1FY26. This was due to significant reduction in the sales for one of its high margin products named Sepgard Range Product (Feracrylum [1% Gel 15gms]; contributed ~30% of TOI in FY25) experienced strong demand until Q3FY25. However, the company witnessed stiff competition from competitor products launched in the year,

which led to reduction in the sale for said product leading to reduction in the sales. The company also reported inventory loss in the said period due to sales of high-cost inventory for one of its API, Ketamine from FY25. Prices of this product dipped significantly since FY25 and hence, the company has stopped selling of the said product which sold at lower cost in Q1FY26. As informed by the management, this effect was temporary, as TML expects rebound in its revenue and profitability in the next three quarters and stabilise the market share in the subsequently. Hence, its timely recovery with improvement in profitability remains a key credit monitorable.

Highly working capital intensive operations

The company's operations are working capital intensive marked by gross current assets period of 264 days in FY25 (against 266 days in FY24) due to high collection and inventory period. The company has multiple manufacturing processes at different manufacturing locations and sells its end-product in batches, which led to a high inventory period of 86 days in FY25 (against 83 days in FY24). The collection period stood higher at 160 days in FY25 (against 154 days in FY24), as it provides a credit period of 90-120 days to institutional buyers and ~90 days to export customers. The company funds a large portion of its working capital requirements through working capital-borrowings and creditors. Hence, the company's operating cycle stood elongated at 196 days in FY25 against 190 days in FY24.

Margins susceptible to fluctuation in input prices and forex risk

TML's profitability margins are susceptible to raw material volatility and forex risk since input cost contributed ~30-40% towards total cost (includes purchase from domestic and international market) and raw material prices remained volatile. The company exports 25-30% of its total revenue and imports 5-10% of the total purchases providing natural hedge to an extent. Due to inadequate natural hedging, it is still under risk of foreign exchange fluctuation risk due to timing differences.

Intense competition and presence in a fragmented industry

The Indian pharmaceutical industry (IPI) comprises mainly formulations, APIs, and contract research and manufacturing services (CRAMS) segments. Although IPI has shown a healthy growth, the industry remains highly competitive. By volume, Indian companies produce about one-fifth of the global generic medicines, nearly half of which was through exports, witnessing increasing competition.

Liquidity: Adequate

TML's liquidity position is adequate marked by its utilisation of its working capital limits, which stood moderate. Average maximum utilisation for its working capital limits stood at 77.48% for 12-months ended June 2025. The expected cash accruals to remain sufficient against principal debt repayment obligations of ₹13.41 crore in FY26. The current ratio stood comfortable at 2.03x, while quick ratio stood moderate at 1.46x as on March 31, 2025 (against 1.84x and 1.38x, respectively, as on March 31, 2024). The free cash and bank balance stood comfortable at ₹7.74 crore as on March 31, 2025. Cash flow from operations (CFO) stood positive at ₹31.81 crore in FY25 (against positive of ₹27.15 crore in FY24).

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

Risk Factors	Compliance and action by the company
Environmental	The company has effluent treatment and waste treatment plant.
Social	The company's manufacturing plant is GMP approved.
Governance	No undisputed fines/ penalties imposed on the business by regulatory and judicial institutions.

Applicable criteria

[Consolidation](#)

[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](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals & biotechnology	Pharmaceuticals

TML was established 1969 as Themis Chemicals Limited, promoted by the Late Shantibhai Patel. TML is engaged in manufacturing bulk APIs of synthetic and biotech origin, bulk intermediates, and formulations. TML is primarily focused on domestic market, which contributes to 70-80% of the total revenue.

TML is into manufacturing antiseptics, anti-tuberculosis, anti-malarial, anti-cholesterol, and pain management drugs. TML is headquartered in Mumbai and has manufacturing facilities at Vapi, Hyderabad, and Haridwar. The company also has its in-house research & development facility (recognised by Department of Scientific & Industrial Research, Ministry of Science & Technology and Government of India) with over 240 products in formulations and six products in API.

Brief Financials (₹ crore) - Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	June 30, 2025 (UA)
Total operating income	383.43	407.01	98.75
PBILDT	53.18	50.58	-8.91
PAT	43.52	29.83	-14.25
Overall gearing (times)	0.28	0.26	NA
Interest coverage (times)	5.67	5.04	NM

A: Audited UA: Unaudited NA: Not Available; NM: Not Meaningful; Note: these are latest available financial results

Brief Financials (₹ crore) - Standalone	March 31, 2024 (A)	March 31, 2025 (A)	June 30, 2025 (UA)
Total operating income	383.43	407.01	98.75
PBILDT	53.21	50.60	-8.91
PAT	24.75	23.92	-15.45
Overall gearing (times)	0.36	0.33	NA
Interest coverage (times)	5.67	5.04	NM

A: Audited UA: Unaudited NA: Not Available; 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-Cash Credit		-	-	-	37.85	CARE BBB-; Negative
Non-fund-based - ST-BG/LC		-	-	-	48.50	CARE A3
Term Loan-Long Term		-	-	November 2030	39.54	CARE BBB-; Negative

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	Non-fund-based - ST-BG/LC	ST	48.50	CARE A3	1)CARE A3 (25-Jun-25)	1)CARE A3 (RWP) (22-Nov-24)	1)CARE A3 (28-Aug-23)	1)CARE A4+ (07-Jul-22)
2	Fund-based - LT-Cash Credit	LT	37.85	CARE BBB-; Negative	1)CARE BBB-; Stable (25-Jun-25)	1)CARE BBB- (RWP) (22-Nov-24)	1)CARE BBB-; Stable (28-Aug-23)	1)CARE BB+; Stable (07-Jul-22)
3	Term Loan-Long Term	LT	39.54	CARE BBB-; Negative	1)CARE BBB-; Stable (25-Jun-25)	1)CARE BBB- (RWP) (22-Nov-24)	1)CARE BBB-; Stable (28-Aug-23)	1)CARE BB+; Stable (07-Jul-22)

LT: Long term; ST: 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-Cash Credit	Simple
2	Non-fund-based - ST-BG/LC	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Artemis Biotech Limited	Full	Subsidiary
2	Themis Lifestyle Private Limited	Full	Subsidiary
3	Carpo Medical Limited	Full	Subsidiary
4	Dr. Themis Private Limited	Full	Subsidiary

Note on complexity levels of rated instruments: CareEdge 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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