

Gujarat Themis Biosyn Limited

February 18, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	75.00	CARE BBB; Stable	Reaffirmed
Short-term bank facilities	5.00	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Gujarat Themis Biosyn Limited (GTBL) factors in satisfactory financial profile and operational performance amidst dependency on a few products. Ratings continue to derive strength from experienced and qualified promoters and management team, niche product offerings despite high dependency on a few products, accredited manufacturing facilities, healthy profit margins, comfortable capital structure and debt coverage indicators.

However, ratings continue to be constrained by its moderate scale of operations, working capital intensive operations, project execution risk associated with capital expenditure undertaken to enhance its fermentation capacities, setting up hybrid power-generation unit and stabilisation risk associated to recently commenced active pharmaceutical ingredients (API) unit. Ratings further continue to be constrained due to customer and supplier concentration risk, intense competition and presence in a fragmented industry and profitability margins susceptible to raw material prices.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increasing scale of operations marked by total operating income (TOI) exceeding ₹250 crore while maintaining profit before interest, lease rentals, depreciation and taxation (PBILDT) margin at present level on a sustained basis.
- Successful completion and stabilisation of the capex pertaining to fermentation, API and power-generation unit without cost and time overruns.

Negative factors

- Deterioration of capital structure with overall gearing exceeding beyond 1x on a sustained basis.
- Substantial deterioration in profitability leading to build up stretch in the company's liquidity profile amidst capex execution.
- The company's inability to complete of project in timely manner resulting in substantial cost overrun, impacting liquidity and credit metrics.

Analytical approach: Standalone

Outlook: Stable

The "stable" outlook on long-term ratings reflects CARE Ratings Limited (CareEdge Ratings') belief that GTBL will sustain its moderate scale of operations with healthy operating profitability in the near term and also expects stabilisation of API unit and timely commercialise the additional fermentation capacity to upscale the performance as envisaged.

Detailed description of key rating drivers:

Key strengths

Experienced and qualified promoters and management team

GTBL is actively managed by promoters of Themis Medicare Limited (TML; rated CARE BBB-; Negative / CARE A3) since 2007. Dr Dinesh Patel is the Chairman and his son, Dr Sachin Patel, Managing Director and CEO, are qualified professionals with doctoral degrees in Medicinal Chemistry and possess over three decades average experience in pharmaceutical industry. Dr Dinesh Patel has been the recipient of several industrial accolades, while Dr Sachin Patel holds a doctorate in Biological Chemistry from Christ's College, University of Cambridge, UK. Promoters are assisted by well-qualified independent directors having significant experience across industries. Promoters are also supported by qualified and experienced second-tier management actively involved in the company's day-to-day operations.

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

Niche product offerings, despite high dependency on a few products

The company is engaged in manufacturing intermediates; Rifamycin S and Rifamycin O, using the fermentation process. Rifamycin S is an intermediate for manufacturing drug Rifampicin and Rifamycin O is an intermediate for manufacturing drug, Rifaximin. Rifamycin is used for the treatment of several types of bacterial infections, including tuberculosis, Mycobacterium avium complex, leprosy, and Legionnaires' disease. Rifaximin is used for the treatment of diarrhoea, irritable bowel syndrome, and hepatic encephalopathy. Owing to its complex fermentation capabilities with high capex involved, there is limited entry barrier. Considering its niche product offerings, the company has been able to command healthy profit margins in the lifecycle of these products.

Raw material sourcing and accredited manufacturing facilities

GTBL's key raw material is Rifabutin, which is sourced through the domestic market. The company has long-standing relationships with its suppliers, ensuring the timely supply of key raw materials. The company's manufacturing plant is in Vapi, Valsad, Gujarat, which is Current Good Manufacturing Practice (CGMP)-approved. The company has an installed capacity for manufacturing 216,000 kilograms per annum of Rifamycin S and Rifamycin O.

Healthy profit margins

The company's PBILDT margin continued to remain healthy and stood between 45% and 50% in the last five years ending FY25. It moderated marginally from 46.85% in FY24 to 46.18% in FY25 due to increase in employee cost and proportionate reduction in the other costs led by slight reduction in revenue. The same has slightly moderated to 44.57% in H1FY26 compared to 46.15% in H1FY25 primarily due to increase in the employee cost to support the newly added API plant operations commenced from April 2025.

Profit after tax (PAT) margin also remained healthy and between 30% and 40% for five years ended FY25. It moderated to 32.03% in FY25 against 34.77% in FY24 in line with reduction in the PBILDT margin and increase in depreciation cost against addition of machineries undertaken in FY25.

Comfortable capital structure and debt coverage indicators

GTBL's capital structure continued to remain comfortable with lower outstanding debt of ₹30.47 crore compared to sizable net worth base of ₹248.38 crore as on March 31, 2025. Overall gearing moderated to 0.12x as on March 31, 2025, against 0.01x as on March 31, 2024, due to availment of the term loan to fund its ongoing capex. With further disbursement of term loan, overall gearing further moderated to 0.27x as on June 30, 2025, which remained comfortable.

The company's debt coverage indicators continued to remain comfortable with interest coverage ratio remained at 189.13x in FY25 against 220.27x in FY24, considering marginal increase in interest cost. Total debt to gross cash accruals (TD/GCA) also moderated marginally although continue to remain comfortable at 0.56x in FY25 against 0.04x in FY24 due to increase in total debt in FY25. The capital structure and debt coverage indicators are expected to be moderated in the near-to-medium term due to expected disbursement of term loans towards ongoing capex; nevertheless, the same will continue to remain comfortable considering sizable tangible net worth (TNW) and healthy GCA levels.

Key weaknesses**Moderate scale of operations**

GTBL's scale of operations remains moderate, with a reported TOI of ₹152.29 crore in FY25, reflecting an ~11% decline from ₹170.15 crore in FY24. This reduction is attributed to the normalisation of revenue positions, which were elevated in Q1FY24 due to a spillover dispatch from the previous quarter. The company's TOI slightly increased to ₹78.22 crore in H1FY26 compared to ₹73.54 crore in H1FY25. The company expects its revenue to continue to remain at similar levels in FY25 due to optimal utilisation of its existing capacities. Revenue growth in FY27 entirely depends on successful completion and stabilisation of API manufacturing project within envisaged timelines, which remains key credit monitorable.

Working capital intensive operations

GTBL's operations continue to remain working capital intensive marked by higher gross current assets period of 99 days in FY25 against 161 days in FY24. This improved on y-o-y basis, considering reduction in current investment in the year. Working capital cycle also improved to 21 days in FY25 against 34 days in FY24, mainly considering increase in creditors period from 50 days in FY24 to 67 days in FY25. The company offers credit period of 1-2 months, leading to collection of 69 days in FY25 compared to 48 days in FY24. Average inventory period stood 18 days in FY25 compared to 36 days in FY24. Therefore, operations remained working capital intensive in nature. The company met its working capital requirements through internal accruals.

Project execution and stabilisation risk

The company is in process of enhancing its fermentation capacities from 216 metric tonnes (MT) to 432 MT to increase its intermediates manufacturing required for forward integration API manufacturing. Total estimated cost of the project is ₹135 crore, of which ₹60 crore will be funded through internal accrual and rest ₹75 crore being funded through term loan (sanctioned and partially disbursed). The project execution is ongoing in nature and company has incurred ₹91.43 crore till September 30, 2025, of which ₹53.85 crore was funded through term loan and ₹37.58 crore through internal accruals. Project execution was commenced in Q1FY25 and expected to be operational by Q4FY26-end.

The company has successfully completed the forward integration of API manufacturing capex for development of products, Rifapentine and Rifamycin at its existing plant. Per the company's announcement dated May 06, 2025, which commenced operations per the scheduled timeline. The company has carried out manufacturing of pilot batches; however, full scale operations are yet to be commenced as existing fermenter capacities are already tied up for off-take by existing clientele timely completion of enhanced fermentation capacities remains critical.

The company is also carrying out a hybrid power generation capex having total capacity of 18.50 MW. The total project cost is estimated at ₹110 crore which will be funded through a term loan of ₹90 crore and ₹20 crore through internal accruals. The company has already tied up with term loans of ₹50 crore sanctioned from Bajaj Finance Limited while remaining term loan of ₹40 crore is to be tied up. It has already initiated the execution, which is expected to get commenced by June 2026.

Thus, GTBL's ability to complete fermentation and power generation projects without cost and time overrun and subsequent stabilisation of both projects remains key credit monitorable.

Customer and supplier concentration risks

The company caters to two major customers, Lupin Limited, contributing 56% of the sales, and Optrix Laboratories Private Limited, contributing the balance 44% of sales in FY24. The company has a 'take or pay' agreement with Optrix Laboratories Private Limited, which is renewed annually, and has a contract with Lupin Limited for five years, and hence, concentration risk is mitigated to an extent. Per the contract clause, it is on a 'take or pay' basis, hence, the company is completely protected in supply. However, major setback in the financial profile of these clients can significantly impact GTBL's growth.

Intense competition and presence in a fragmented industry; profitability margins susceptible to raw material prices

GTBL's profitability margins exhibit vulnerability to raw material price volatility, which remains a key sensitivity factor in its cost structure. The Indian pharmaceutical sector comprising formulations APIs, and contract research and manufacturing services (CRAMS) has demonstrated consistent growth; however, the competitive intensity across these segments remains structurally high due to a fragmented market landscape, pricing pressures, and the presence of numerous domestic and international players.

Liquidity: Adequate

The liquidity position remained adequate marked by sufficient cushion in internal accruals, free cash and bank balance, positive cash flow from operations and comfortable current and quick ratio. The company's expected GCA would remain adequately cushioned against repayment obligations of ~₹1 crore in FY26 and ~₹24 crore in FY27. Considering healthy cash accruals, working capital requirement is being managed through internal accruals. Current ratio and quick ratio stood healthy at 2.61x and 2.36x, respectively, as on March 31, 2025 (against 4.96x and 4.76x, respectively, as on March 31, 2023). Cash flow from operating activities stood positive of ₹52.61 crore in FY25 (against ₹102.83 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 implemented a structured mechanism for the safe handling, storage and disposal of hazardous waste.
Social	The company's manufacturing plant is GMP approved. The company has proposed areas of CSR activities such as promoting health care, promoting education and rural development activities.
Governance	The company has adopted systems to enhance transparency, disclosure, control, accountability, establishing trust with all stakeholders including investors, employees, suppliers, customers and the medical profession.

Applicable criteria

- [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 and biotechnology	Pharmaceuticals

GTBL was incorporated in 1981 and is engaged in manufacturing APIs, such as Rifamycin S and Rifamycin O. Rifamycin S is an intermediate for manufacturing drug, Rifampicin (antibiotic used for the treatment of several types of bacterial infections, including tuberculosis, Mycobacterium avium complex, leprosy, and Legionnaires' disease). Rifamycin O is an intermediate for manufacturing drug Rifaximin (antibiotic used for the treatment of traveller's diarrhea, irritable bowel syndrome, and hepatic encephalopathy). These are niche products. The company's manufacturing plant is in Vapi, Gujarat, which is CGMP approved.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	December 31, 2025 (UA)
Total operating income	170.15	152.29	121.59
PBILDT*	79.72	70.33	52.81
Profit after tax (PAT)	59.16	48.77	35.79
Overall gearing (x)	0.01	0.12	NA
Interest coverage (x)	220.27	193.27	53.86

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

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-Term Loan		-	-	Jan-2031	75.00	CARE BBB; Stable
Non-fund-based - ST-BG/LC		-	-	-	5.00	CARE A3+

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	Fund-based-Long Term	LT	-	-	1)Withdrawn (19-May-25)	1)CARE BBB (RWD) (22-Nov-24) 2)CARE BBB; Stable (07-Oct-24)	1)CARE BBB; Stable (25-Sep-23) 2)CARE BBB; Stable (04-Aug-23)	1)CARE BBB; Stable (04-Aug-22)
2	Non-fund-based - ST-BG/LC	ST	5.00	CARE A3+	1)CARE A3+ (25-Jun-25) 2)CARE A3+ (RWD) (19-May-25)	1)CARE A3+ (RWD) (22-Nov-24) 2)CARE A3+ (07-Oct-24)	1)CARE A3+ (25-Sep-23) 2)CARE A3+ (04-Aug-23)	1)CARE A3+ (04-Aug-22)
3	Fund-based - LT-Term Loan	LT	75.00	CARE BBB; Stable	1)CARE BBB; Stable (25-Jun-25) 2)CARE BBB (RWD) (19-May-25)	-	-	-

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-Term Loan	Simple
2	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)**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.

Contact us

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