Lambda Therapeutic Research Limited

March 18, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	10.00	CARE AA-; Stable	Reaffirmed
Long-term / Short-term bank facilities	25.00	CARE AA-; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	2.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Lambda Therapeutic Research Limited (LTRL) continue to derive strength from its experienced and resourceful promoter group, its established operations in the clinical research domain in India with reputed clientele, its comfortable capital structure backed by healthy net worth and absence of major external debt, and strong liquidity. Ratings also factor its geographically diversified operations in regulated markets and gradual shift in revenue mix towards clinical trials (Phase-I to Phase-IV) and complex studies. Ratings further factor growth in LTRL's scale of operations and profit before interest, lease rentals, depreciation, and taxation (PBILDT) in FY25 (FY refers to April 01 to March 31) y-o-y considering improvement in operations of its US-based subsidiaries.

However, long term rating remains constrained on account of its exposure to inherent regulatory risk associated with clinical research industry, increasing competition in the bioavailability/ bioequivalence (BA/BE) studies, which still form a major part of LTRL's total revenue and challenges in availability of subjects and patients for trials. Ratings also consider challenges associated with ramp up of the large-size capex for contract manufacturing. However, it is partially mitigated due to absence of debt funding and its linkages with the Intas group.

CARE Ratings Limited (CareEdge Ratings) also takes cognisance of divestment of controlling interest by LTRL in its subsidiary, Jina Pharmaceuticals Inc., USA (Jina), and its impact on consolidated revenue and profitability.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in total operating income (TOI) while achieving consolidated PBILDT margin of over 30% and return on capital employed (ROCE) of over 20% on a sustained basis.
- Significant diversification of service offerings and clientele.

Negative factors

- Significant deterioration in LTRL's hitherto healthy consolidated PBILDT margins below 15% on a sustained basis.
- Any unforeseen regulatory developments adversely affecting its operations.

Analytical approach: Consolidated

CareEdge Ratings has considered the consolidated financials of LTRL for its analytical purpose, which includes the financials of its subsidiaries. LTRL and its subsidiaries also have cash flow fungibility among them, operate on a common management platform, and act as an extension of its operations in different geographies. LTRL is promoted by Mr. Binish Chudgar, who also serves as the Chairman and Managing Director of Intas Pharmaceuticals Limited. Subsidiaries consolidated in LTRL is placed in Annexure-6.

Outlook: Stable

LTRL is expected to continue to benefit from its geographically diversified operations and increase in the share of complex and clinical trials studies in overall revenue mix. The financial risk profile is expected to remain healthy, supported by steady cash accruals, prudent working capital management and the absence of major debt-funded organic or inorganic expansion.

Detailed description of key rating drivers:

Key strengths

Experienced and resourceful promoters

LTRL is promoted by Mr. Binish Chudgar, who also serves as the Chairman and Managing Director of Intas Pharmaceuticals Limited. The promoters have over three decades of experience in the pharmaceutical industry and are also supported by a qualified and experienced senior management team and a well-defined organisation structure and strong information systems. The

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

promoters are resourceful and capable of providing need-based support to LTRL. The management of LTRL has also strongly articulated promoter's willingness to extend need-based support, if required.

Established operations in the clinical research domain and long-standing relationships with its clientele
LTRL has a fully equipped clinical research facility with capacity of 746 operational beds globally as on December 31, 2025, which has been approved by regulatory agencies such as the US Food and Drug Administration (USFDA), National Sanitary Surveillance Agency, Brazil (ANVISA), and the World Health Organisation (WHO), among others. The facility in Ahmedabad is equipped with a subject screening unit, subject housing unit, in-house pathology and safety laboratory, bio-analytical laboratory, bio-pharmaceutics services department, and an intensive care unit (ICU) and an on-campus ambulance service. LTRL has set up offices at multiple locations in Gujarat, including Bapunagar and Sarkhej in Ahmedabad and Mehsana, for sourcing and initial screening of subjects, which results in better availability of subjects. LTRL has a self-sufficient database of healthy and special subjects for carrying out its clinical trials and research studies. LTRL, through its in-house research and development (R&D), has developed over 1,100 validated methods for the analysis of drugs and metabolites in biological matrices, in major therapeutic areas. A large number of validation methods indicates the company's strong R&D capability and allows the company to showcase its operational capability to its clients.

In FY25, LTRL (on a standalone basis) conducted 275 studies (excluding pilot trials) for various regulatory submissions which remained lower y-o-y (PY: 291) primarily due to its continued focus on lengthier, complex and higher margin studies. LTRL derived ~39% and 41% of its standalone revenue in FY25 (FY24: 48%) and H1FY26, respectively, from clinical trial. Share of clinical trials in total standalone revenue declined in FY25 mainly due to regulatory delays at clients' end, however, it is expected to increase in FY26.

Over the years, LTRL has established business relationship with reputed clients. However, its revenue stream is concentrated with the top five customers contributing ~61% (PY: 72%) and BA/BE studies contributing 48% (PY: 42%) of its total standalone revenue in FY25. Based on the present orderbook, CareEdge Ratings expects the revenue concentration from top customers to remain high over medium term. However, the company will diversify its revenue mix towards high margin clinical trials.

Global presence through subsidiaries
For inorganic growth and geographical diversification, LTRL expanded its presence in countries such as the US, the UK, Canada and Poland, vis its subsidiaries whose facilities are accredited by regulatory agencies of the respective countries. Its subsidiary in the UK provides pharmaco-vigilance services. The subsidiary based in Poland is also engaged in providing pharmaco-vigilance services; however, it has negligible operations.

Growth in scale of operations and improvement in operating profitability in FY25, despite performance expected to marginally weaken in FY26
LTRL's consolidated TOI and PBILDT grew by ~19% and ~27% respectively in FY25. Improvement in its scale operations and profitability was considering better-than-expected performance from US operations where combined revenue of two of its subsidiaries, Lambda Therapeutic Research Inc (LTRI, USA) and Jina grew by 59% Y-o-Y backed by healthy order-book execution and licencing revenue. This also led to higher contribution of overseas subsidiaries' revenue at ~57% in LTRL's consolidated TOI (PY: ~50%) in FY25. Improvement in LTRL's PBILDT margin was due to economies of scale in overseas operations and several cost control measures (including renationalising rental cost, employee cost, legal cost, etc.) implemented by the company. LTRL is now focusing more on clinical trials, which is less competitive and commands better pricing.

LTRL divested its controlling stake in Jina in March 2025 and recorded a gain on sale of investment of ₹37 crore on a standalone basis. Jina contributed ~₹112 crore of revenue and ~₹45 crore of PBILDT in LTRL's consolidated financials in FY25. Jina will no longer be part of LTRL's consolidated financials from FY26 onwards. Moreover, LTRL, USA's performance will remain weaker in FY26 compared to FY25 as order-execution has been delayed considering pending approval from clients. However, healthy order execution in India is partially expected to offset lower revenue from the US operations. Unexecuted order-book for India and overseas business provides adequate revenue visibility for near-to-medium term. LTRL's standalone revenue and PBILDT is expected to grow in FY26 (y-o-y) backed by healthy order-book and execution, while consolidated revenue and PBILDT is expected to decline by ~10-15% in FY26 (Y-o-Y).

Comfortable leverage and debt coverage indicators; likely to sustain in the medium term
On a consolidated level, LTRL's capital structure remained comfortable marked by total outside liabilities (TOL)/tangible net worth (TNW) at 0.24x as on March 31, 2025 (PY: 0.27x) and is envisaged to remain at similar levels in the medium term considering its healthy net worth base and absence of major external debt. The company management articulated that it does not plan to avail

debt in the next few years. Hence, CareEdge Ratings envisages the capital structure to remain comfortable. The low reliance on debt considering healthy cash flow generation has led to low finance cost, and consequently, comfortable debt coverage indicators.

Key weaknesses

Exposure to high regulatory risk

The CRO industry is exposed to high reputation and regulatory risk, where the CRO has an important responsibility to ensure the safety of its subjects upon whom the various clinical trials and studies are conducted by it. The Ministry of Health and Family Welfare, Government of India, has a pre-defined patient compensation guideline in case of clinical trials and compensation for unforeseen adversity or unfortunate death caused in the trials conducted in India. Any adverse impact on the health of the subjects in the trials can discredit the CRO and may lead to investigation and subsequent action from the regulatory authorities, severely impacting its business. CROs require various approvals, licenses, registrations, and permissions for their routine business activities. The approval process is also complex, lengthy, and expensive. The time taken to obtain approval varies from one country to another and it ranges from a month to a year. CareEdge Ratings notes that delay or failure in getting approval can adversely affect the business prospects of the company.

Increasing competition in the CRO industry and pricing pressure in low end value chain

Several large global pharma players are outsourcing clinical trials to India. Hence, more CROs may enter which increases the competition and constrains pricing flexibility of established players such as LTRL. Cost pressures faced by companies are creating the need for pharmaceutical companies to implement cost-cutting measures across operations, including drug development costs. The large pharmaceutical players have their own captive CROs, which further intensify the competition. Due to increase in the competition in the CRO industry, the company is also facing challenges pertaining to availability of diversified subjects to conduct the studies. Additionally, the company faces competition from CROs based in China and Eastern Europe, among others, which may have a wide portfolio of services. However, LTRL benefits from its wide range of service offerings and strong clientele. LTRL faces the competition only in lower end of serving offering in value chain.

Challenges associated with ramp up of its contract manufacturing operations

LTRL commissioned contract manufacturing facility at existing location at capex of ~₹210 crore in June 2025. The capex was entirely funded through internal accruals and available liquidity. The manufacturing facility has ~2*200L fermenters for manufacturing niche monoclonal antibodies (mAbs). The facility is designed to serve regulated and semi-regulated markets. As discussed with the management, the approval from Indian regulator is in the process, while approval from MHRA, USFDA might take two to three years. The profitability and return indicator (ROCE) may get impacted in case of delay or suboptimal utilisation of the contract manufacturing facility. However, as indicated by the management, orders from Intas group in initial stage of operations of contract manufacturing mitigates risk to certain extent.

Liquidity: Strong

LTRL's liquidity remains strong marked by healthy cash accruals and 'nil' utilisation of its fund-based working capital limits in the trailing 12-months ended December 2025. The company's liquidity indicators marked by current ratio and quick ratio remain healthy at 3.19x and 3.15x, respectively, at end-FY25. LTRL had free liquidity of ~₹395 crore in the form of bank fixed deposit and liquid mutual funds as on March 31, 2025, which underpins its liquidity and provides support in exigency. Free liquidity continues to remain over ~₹400 crore as of December 2025.

Environment, social, and governance (ESG) risks: Not applicable

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]
[Service Sector Companies]
[Short Term Instruments]

About the company and industry
Industry classification

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

Incorporated in 1998, LTRL is a full-service CRO, promoted by the Chudgar family of Ahmedabad. LTRL has operational facilities at Ahmedabad and Mehsana, which have been approved by various regulatory agencies. It has also expanded to countries like the US, the UK, Canada, and Poland through its subsidiaries. It provides a full array of services, including BA/BE studies, Phase-I clinical trials, late phase clinical studies (Phase-II and IV), pharmaco-vigilance, clinical data management studies, and statistical services. The total operational bed capacity of LTRL, on consolidated level, stood at 746 beds as on March 31, 2025.

Brief Consolidated Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)*
Total operating income	676	804	306
PBILDT	190	241	67
PAT	154	201	NA
Overall gearing (times)	-	-	NA
Interest coverage (times)	242.20	111.09	NA

A: Audited; UA: Unaudited; Note: these are latest available financial results; *Excluding financials of Lambda Therapeutic Research Sp. Z.o.o, Poland and inter-company adjustments.

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/ ST-CC/Packing Credit	-	-	-	-	25.00	CARE AA-; Stable / CARE A1+
Non-fund-based - LT-Standby Letter of Credit	-	-	-	-	10.00	CARE AA-; Stable
Non-fund-based - ST-Bank Guarantee	-	-	-	-	2.00	CARE A1+

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-Bank Guarantee	ST	2.00	CARE A1+	1)CARE A1+ (03-Apr-25)	-	1)CARE A1+ (04-Jan-24)	1)CARE A1+ (20-Dec-22)
2	Fund-based - LT/ ST-CC/Packing Credit	LT/ ST	25.00	CARE AA-; Stable / CARE A1+	1)CARE AA-; Stable / CARE A1+ (03-Apr-25)	-	1)CARE AA-; Stable / CARE A1+ (04-Jan-24)	1)CARE AA-; Stable / CARE A1+ (20-Dec-22)
3	Non-fund-based - LT-Standby Letter of Credit	LT	10.00	CARE AA-; Stable	1)CARE AA-; Stable (03-Apr-25)	-	1)CARE AA-; Stable (04-Jan-24)	1)CARE AA-; Stable (20-Dec-22)

LT: Long term; ST: Short term; LT/ST: Long term/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/ ST-CC/Packing Credit	Simple
2	Non-fund-based - LT-Standby Letter of Credit	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated as on March 31, 2025

Sr. No.	Name of entity	Extent of Consolidation	Rationale for Consolidation
1	Lambda Therapeutic Research Inc., USA	Full	Subsidiary
2	Lambda Therapeutic Limited. UK	Full	Subsidiary
3	Novum Pharmaceuticals Research Services, Inc., (Erstwhile, known as Lambda Therapeutic Research Inc., Canada)	Full	Subsidiary
4	Lambda Clinical Service Limited, India	Full	Subsidiary
5	Lambda Therapeutic Research Sp. Z.o.o, Poland	Full	Subsidiary
6	Jina Pharmaceuticals Inc., USA#	Full	Subsidiary#

#Subsidiary till March 25, 2025. LTRL reduced its stake in Jina Pharmaceuticals Inc., USA from 80% to 5% in March 2025.

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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About us:

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