

## Nectar Lifesciences Limited

March 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	572.56	CARE B+ (RWN); ISSUER NOT COOPERATING*	Downgraded from CARE BB- ; Continues to be on Rating Watch with Negative Implications and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	357.44	CARE A4 (RWN); ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category; Continues to be on Rating Watch with Negative Implications

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

Nectar Lifesciences Limited (NLL) has not paid the surveillance fees for the rating exercise as agreed in the rating agreement. In line with the extant SEBI Guidelines, CARE Ratings Limited's (CareEdge Ratings) ratings on NLL's bank facilities will now be denoted as CARE B+ (RWN)/ CARE A4 (RWN); ISSUER NOT COOPERATING.

Users of this rating (including investors, lenders, and the public at large) are hence requested to exercise caution while using the above ratings.

The revision in the long-term rating assigned to the bank facilities of Nectar Lifesciences Limited (NLL) reflects the weak financial performance reported during 9MFY26. The subdued performance follows the completion of the sale of its core API and formulation business to Ceph Lifesciences Private Limited (Ceph) for ₹1,253.98 crore and the divestment of its menthol segment for ₹19.90 crore in November 2025. The divestments have led to weakening of the company's operating profile, which is expected to persist over the medium term as the company transitions to its restructured business model.

CareEdge Rating notes that as per the disclosure made by the company the sale proceeds have been mainly utilised to fully repay its existing debt obligations, resulting in a debt-free status. However, with the divestment of the core business, the ratings remain constrained and continues to be on Rating Watch with Negative Implications due to the uncertainty surrounding the establishment of a viable and scalable new business model. The company's ability to execute this transition in a timely manner and demonstrate stability in revenue and earnings going forward will be critical to the credit profile.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Establishment of a viable and scalable residual or new business model, with timely execution and demonstrated stability in revenue and earnings post-divestment.
- Consistent operating performance in the continuing business, with PBILDT margin above 10% and revenue stability demonstrated on a sustained basis.
- Improved financial metrics, with total debt/PBILDT below 3.00x on a sustained basis.

#### Negative factors

- Weak performance of residual business, with PBILDT margin falling below 6% or continued operating losses.
- Delay or failure in redeploying sale proceeds, leading to lack of revenue visibility or business direction beyond 12 months.
- Deterioration in financial metrics, with total debt/PBILDT exceeding 4.5x or weakening liquidity position.

#### Analytical approach: Consolidated

CareEdge Ratings has taken consolidated approach or arriving at NLL's ratings, given the linkages with its subsidiaries. Companies considered for consolidation are listed under Annexure-6.

**Outlook:** Not applicable

#### Detailed description of key rating drivers:

#### Key weaknesses

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

### Weak operational performance

NLL completed the divestment of its API and formulation business for ₹1,253.98 crore and its menthol division for ₹19.90 crore in November 2025. Following these transactions, revenue from continuing operations remained negligible at ₹1.71 crore in 9MFY26, compared to ₹1.69 crore in 9MFY25, reflecting the near-complete exit from its core operating segments. Revenue from discontinued operations declined significantly to ₹395.67 crore in 9MFY26 from ₹1,241 crore in 9MFY25. The company reported an overall net loss of ₹224.97 crore for 9MFY26, as against a net profit of ₹16.41 crore in 9MFY24, largely attributable to one-time adjustments and restructuring impacts arising from the sale of businesses.

While the monetisation of these businesses has enabled debt reduction and alleviated near-term liquidity pressures, the divestments mark an exit from the company's principal revenue-generating verticals, leading to a steep fall in operating scale and profitability.

### Uncertainty post core business divestment

With the divestment of the core business, there is uncertainty around what new business model the company will adopt, how it will be scaled, and whether it can generate stable revenue and earnings in the future. The absence of clarity on diversification plans or a defined roadmap for the residual business adds to this uncertainty, making the company's future direction and ability to sustain operations an important area to watch.

### Succession risk

NLL's promoter Sanjiv Goyal has two sons: Saurabh Goyal and Aryan Goyal. Both were working as Executive Directors and were shareholders. However, both resigned from the company in 2018 after amicable settlement within the family and have started their own ventures. There was a family partition deed between the members according to which, Saurabh and Aryan had issued an advertisement in the newspaper and filed a letter with The Securities and Exchange Board of India (SEBI) and Stock Exchanges regarding their disassociation with NLL by October 01, 2020. Though succession risk exists, the management has opined that the company is run by professional management, which will continue going forward.

### Key strengths

#### Debt-free status and financial flexibility

Following the sale of its core operations, the company has fully repaid its outstanding debt obligations, resulting in a debt-free balance sheet. This clean capital structure provides financial flexibility and reduces near-term liquidity pressures, enabling the company to redeploy resources toward new ventures without the burden of leverage.

#### Corporate continuity

Following the sale of its core business, the company continues its listing status and governance framework. These elements provide continuity and can serve as a base if the company chooses to explore new business opportunities in the future.

**Assumptions/Covenants:** Not applicable

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

### Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Consolidation](#)

[Definition of Default](#)

[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

Founded in 1995 by Sanjiv Goyal, NLL is a research-based pharmaceutical company, primarily engaged in manufacturing APIs and formulation. The company has four state-of-the-art manufacturing facilities across Punjab and Himachal Pradesh. The company is into manufacturing Cephalosporin (oral and sterile) at its two units in Dera Bassi and Punjab.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9M FY26 (UA)
Total operating income	1,695.36	1,673.07	1.71
PBILDT*	162.83	-26.46	0.46
Profit after tax (PAT)	5.00	-113.68	-224.97#
Overall gearing (x)	0.64	0.65	NA
Interest coverage (x)	1.68	NM	NM

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

\*PBILDT: Profit before interest, lease rentals, depreciation and tax; # Loss from both continuing and discontinued operations.

**Status of non-cooperation with previous CRA:** The company has outstanding non-cooperation rating with Brickworks Ratings (BWR) at BWR B-; Negative ISSUER NOT COOPERATING /BWR A4 ISSUER NOT COOPERATING. As mentioned in its Press Release, dated January 16, 2026, despite best efforts to get the required information for review, the company has not complied.

**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 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		-	-	-	405.14	CARE B+ (RWN); ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	31/03/2027	95.71	CARE B+ (RWN); ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Demand loan		-	-	-	31.56	CARE B+ (RWN); ISSUER NOT COOPERATING*
Fund-based - LT-Working capital Term Loan		-	-	31/03/2027	40.15	CARE B+ (RWN); ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	352.44	CARE A4 (RWN); ISSUER NOT COOPERATING*
Non-fund-based - ST-Forward Contract		-	-	-	5.00	CARE A4 (RWN); ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

## 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 - LT-Term Loan	LT	95.71	CARE B+ (RWN); ISSUER NOT COOPERATING*	1)CARE BB- (RWN) (16-Jul-25) 2)CARE BB (RWN) (01-Jul-25)	1)CARE BB; Stable (28-Oct-24)	1)CARE BB-; Stable (26-Mar-24) 2)CARE B+; Stable (05-Jul-23)	-
2	Fund-based - LT-Working capital Term Loan	LT	40.15	CARE B+ (RWN); ISSUER NOT COOPERATING*	1)CARE BB- (RWN) (16-Jul-25) 2)CARE BB (RWN) (01-Jul-25)	1)CARE BB; Stable (28-Oct-24)	1)CARE BB-; Stable (26-Mar-24) 2)CARE B+; Stable (05-Jul-23)	-
3	Fund-based - LT-Cash Credit	LT	405.14	CARE B+ (RWN); ISSUER NOT COOPERATING*	1)CARE BB- (RWN) (16-Jul-25) 2)CARE BB (RWN) (01-Jul-25)	1)CARE BB; Stable (28-Oct-24)	1)CARE BB-; Stable (26-Mar-24) 2)CARE B+; Stable (05-Jul-23)	-
4	Non-fund-based - ST-BG/LC	ST	352.44	CARE A4 (RWN); ISSUER NOT COOPERATING*	1)CARE A4 (RWN) (16-Jul-25) 2)CARE A4+ (RWN) (01-Jul-25)	1)CARE A4+ (28-Oct-24)	1)CARE A4 (26-Mar-24) 2)CARE A4 (05-Jul-23)	-
5	Fund-based - LT-Working Capital Demand loan	LT	31.56	CARE B+ (RWN); ISSUER NOT COOPERATING*	1)CARE BB- (RWN) (16-Jul-25)	1)CARE BB; Stable (28-Oct-24)	1)CARE BB-; Stable (26-Mar-24)	-

					2)CARE BB (RWN) (01-Jul-25)		2)CARE B+; Stable (05-Jul-23)	
6	Non-fund-based - ST-Forward Contract	ST	5.00	CARE A4 (RWN); ISSUER NOT COOPERATING*	1)CARE A4 (RWN) (16-Jul-25) 2)CARE A4+ (RWN) (01-Jul-25)	1)CARE A4+ (28-Oct-24)	1)CARE A4 (26-Mar-24)	-

\*Issuer did not cooperate; based on best available information.

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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Demand loan	Simple
4	Fund-based - LT-Working capital Term Loan	Simple
5	Non-fund-based - ST-BG/LC	Simple
6	Non-fund-based - ST-Forward Contract	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	Neclife PT, Unipessoal LDA	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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