Aptus Pharma Limited

June 29, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Issuer rating	0.00	CARE BB; Stable	Assigned

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

The issuer rating assigned to Aptus Pharma limited (APL) is constrained on account APL's modest scale of operations, working capital intensive working capital intensive business and stretched liquidity. The rating is further tempered by APL's geographically concentrated operations, dependency on the third-party contract manufacturers, and its presence in the highly competitive and fragmented industry, which is also exposed to inherent regulatory risk.

However, the rating, derives comfort from APL's financial risk profile characterised by comfortable capital structure and debt coverage indicators, healthy profitability, and the extensive experience of promoters in the pharmaceutical industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

- Total operating income (TOI) above ₹100 crore while maintaining profit before interest, lease, depreciation and tax (PBILDT) margin above 15% on a sustained basis.
- Improvement in liquidity resulting in lower reliance on the external debt for the working capital requirement.

Negative factors:

- Significant decline in TOI or PBILDT margin resulting in over 25% decline in gross cash accruals (GCA).
- Overall gearing above 2x on a sustained basis.
- Significant elongation in operating cycle impacting liquidity.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that APL shall continue to benefit from its experienced of its promoter in the pharmaceuticals industry.

Detailed description of key rating drivers:

Key weaknesses

Modest scale of operations with geographical concentration

APL has modest scale of operations, with TOI remaining in the range of ₹5 - ₹25 crore for five years ended FY25. However, the company's scale improved significantly in FY26, with TOI increasing by ~90% year-on-year to ₹46.57 crore from ₹24.56 crore in FY25, driven by improved penetration of existing products and new product launches. Sustained growth in scale while maintaining profitability will remain a key monitorable.

The company's operations remain geographically concentrated in Gujarat state. Such concentration exposes APL to regional demand- and competition-related risks, and adverse developments in its key market could materially impact its business performance. The company has initiated measures to diversify its geographical presence by strengthening its senior management team, expanding its product portfolio through new divisions, and entering the over the counter (OTC) and wellness segments. It also plans to expand its marketing presence in West Bengal, Maharashtra, Goa and Rajasthan in the near term, which is expected to provide some geographical diversification. It also plans to foray into the export market.

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

Dependence on contract manufacturing
APL follows asset light, marketing and distribution focused approach and outsources its manufacturing requirements. It operates through a contract manufacturing model, which led to low overheads and high asset turnover over the years. Although contract manufacturing keeps the business model asset light, it poses supply chain-related issues regarding quality control and resultant reputation risk. As on March 31, 2025, it procured products from seven contract manufacturers. Of the total purchases top five contract manufacturers contributed ~78% in FY25 (74.61% in FY24).

Going forward, the company plans to foray into the manufacturing segment for the nutraceutical and cosmeceutical products will continue.

Presence in competitive industry and exposure to increasing regulatory risk
APL is exposed to regulatory risks inherent to the pharmaceuticals industry. Players in the industry need to adhere to stringent quality standards. Good manufacturing practice (GMP) must be followed for manufacturing and quality control of drugs. The government also controls prices of pharmaceutical products through the drug price control order (DPCO) under price control mechanism. APL's operations are also exposed to the competitive pharmaceutical formulation market particularly in the generic segment, which is highly fragmented with presence of the large integrated players and small and mid-sized entities.

Working capital intensive operations
APL's business operations are working capital intensive, as reflected by a high gross current assets (GCA) period of 306 days in FY26, compared to 229 days in FY25. Operating cycle remained elongated at 163 days in FY26 (FY25: 148 days), mainly driven by high inventory and collection periods. The inventory holding period remains high at ~90–120 days, as the company needs to maintain adequate rolling stock to ensure a seamless supply chain. Collection days stood at 94 days (PY: 66 days) in FY26. Working capital requirements are mainly financed through internal accruals, partly by creditors and working capital limits.

Key strengths

Experienced promoter
Tejash Hathi, Promoter and Managing Director, APL, has over two decades of experience in the pharmaceutical industry and manages the company's overall operations. Promoters are supported by a qualified and experienced management team.

Healthy profitability
In the last five years, APL's PBILDT margin improved from 3.57% in FY21 to 19.74% in FY25, mainly due to benefit from economics of scale. APL's profitability remained healthy marked by PBILDT and profit after tax (PAT) margin of 15.99% (FY25: 19.74%) and 9.92% (FY25: 12.62%) respectively in FY26. However, with small scale of operations, GCA remained moderate at ₹5.01 crore in FY26 (FY25: ₹3.35 crore).

Comfortable capital structure post successful completion of IPO
APL's capital structure remained comfortable in FY26, supported by equity infusion through its initial public offering (IPO), resulting in improved overall gearing of 0.31x against 1.49x in FY25. APL successfully completed its IPO, with shares listed on the BSE (SME) on September 30, 2025. The entire issue comprised a fresh equity issue aggregating ₹13.02 crore. Promoter shareholding declined to 72.89% as on March 31, 2026, from 100% prior to the IPO issue. Though improved, the net worth base continues to remain modest at ₹23.29 crore as on March 31, 2026, compared to ₹6.94 crore as on March 31, 2025.

Given the asset-light business model and low reliance on external borrowings, APL's debt coverage indicators remained comfortable, with total debt (TD)/GCA of 1.43x (PY: 3.10x) and PBILDT interest coverage of 9.33x (PY: 10.40x) in FY26.

Liquidity: Stretched

APL's liquidity remained stretched marked by negative cash flow from operations (CFO), moderate utilisation of its working capital limit and elongated operating cycle. It is expected to achieve GCA of ~₹5-6 crore against scheduled debt repayment obligation of ₹0.10 crore in FY27. Average and maximum utilisation of its fund-based limit stood at 70% and 80%, respectively, for 12 months ended March 31, 2026. It has free cash and bank balance of ₹6.40 crore as on March 31, 2026 (₹6.29 crore as on March 31, 2025).

APL reported negative CFO of ₹5.61 crore in FY26 and ₹1.77 crore in FY25 owing to increasing working capital requirements given healthy growth in the scale of operations. Current ratio and quick ratio remained moderate at 2.08x and 1.39x, respectively, as on March 31, 2026.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Definition of Default
Issuer Rating
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Pharmaceuticals
Financial Ratios – Non financial Sector

About the company and industry

Industry classification

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

Incorporated in August 2010, APL is an Ahmedabad, Gujarat-based company engaged in marketing, and distribution of finished pharmaceutical formulations. It caters to therapeutic segments including anti-infectives, gastrointestinal, antacids, anti-allergic and respiratory, nutritional supplements, pain management, neuro-psychiatric, cardiovascular, anti-diabetic, lipid lowering, and general wellness products. The company does not own manufacturing facilities and operates through a contract manufacturing model.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	24.56	46.57
PBILDT*	4.85	7.45
Profit after tax (PAT)	3.10	4.62
Overall gearing (x)	1.49	0.31
Interest coverage (x)	10.40	9.33

A: Audited UA: Unaudited; 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
Issuer Rating-Issuer Ratings	-	-	-	-	0.00	CARE BB; Stable

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 2026-2027	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
1	Issuer Rating-Issuer Ratings	LT	0.00	CARE BB; Stable	-	-	-	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated: Not applicable

Annexure-5: Lender details

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

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA

[2] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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