Albert David Limited

July 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	50.50 (Reduced from 51.50)	CARE A; Negative	Reaffirmed
Long-term / Short-term bank facilities	12.00 (Reduced from 13.00)	CARE A; Negative / CARE A1	Reaffirmed

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-7.

Rationale and key rating drivers

Ratings assigned to bank facilities of Albert David Limited (ADL) continue to derive strength from its experienced promoters with presence in diversified business segments, established market position in placenta-based drugs, strong distribution network, and diversified clientele base. Ratings also take cognisance of continuation of moderate financial performance of the company in FY26 and loss of ₹1.49 crore reported at profit after tax (PAT) level. However, the company continued to generate cash accruals of ₹6.37 crore in FY27 against nil repayment obligations. Ratings take comfort from improving profit before interest, lease rentals, depreciation and taxation (PBILDT) margins from 1.17% in FY25 to 2.88% in FY26 driven by lower employee expenses and lower sales and distribution costs compared to previous fiscal year. Ratings take comfort from comfortable capital structure and strong liquidity position. However, ratings are constrained by moderate scale of operations, product concentration risk, foreign exchange fluctuation risk, and exposure to regulatory risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increasing total operating income (TOI) beyond ₹500 crore and sustained improvement in its profitability margins marked by PBILDT margin above 15% on a sustained basis.

Negative factors

- Reducing liquidity below ₹100 crore on a sustained basis.
- Net debt to goss cash accruals above 0.25x on a sustained basis.
- Un-envisaged debt-funded capital expenditure deteriorating its overall gearing ratio beyond 0.20x

Analytical approach: Standalone

Outlook: Negative

The 'negative' outlook reflects the expected continuation of the company's subdued financial performance, with lower operating margins anticipated in the current fiscal year, potentially leading to a moderation in its financial risk profile. The outlook may be revised to 'stable' if ADL successfully turns around its operations to achieve the desired scale and profitability.

Detailed description of key rating drivers:

Key strengths

Experienced promoters having experience in diversified businesses

The G.D. Kothari group has diversified business interest in tea, textiles, pharmaceuticals, chemicals, engineering products, property, among others. AK Kothari, Chairman, is the son of Late GD Kothari, the group's founder. He and Amit Mahla, Managing Director, manage the company's day-to-day affairs. The company is managed by experienced and qualified professionals, who have relevant experience in the industry.

Established market position in placenta-based drugs despite product concentration risk

ADL's main brand Placentrex, contributed 26% revenue in FY26 (PY: 20%). The company's placenta-based formulation, Placentrex, is the only human placenta-based product in India developed through indigenous research. The company is the market leader in this segment and has a process patent over Placentrex, which mitigates competition risk. ADL is the authorised supplier

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

of SSG to WHO, which is utilised for treatment of Kala-azar in African countries. ADL deals in products, where top five form 45% and 39% of total sales in FY26 and FY25 respectively.

Strong distribution network

The company has strong presence in the Indian market with wide distribution network. The number of stockists under carrying and forwarding agent (CFA), pan India stood at 2,193 as on March 31, 2026, although moderated from 2,338 as on March 31, 2025. The company has established marketing offices across cities including Mumbai, Kolkata, Lucknow, and Patna with a strong presence in the country's eastern and northern parts. The company has taken several measures to improve its sales in the last two years, including increasing the sales force to enhance market penetration, increased spending on marketing and distribution to establish a presence in southern and western parts of India among others. The extent to which these measures translate into sustained revenue growth will remain a key monitorable.

Diversified clientele base

ADL has a diversified client base with no single customer contributing over 5% of net sales. Customers are major pharmaceuticals distributors in India. Revenue from top five clients diversified and stood at 13% in FY26 against 17% in FY25. The company also has long-standing relations with all major distributors in India.

Comfortable capital structure and debt coverage indicators

The company's capital structure remains comfortable with overall gearing at 0.08x as on March 31, 2026, although moderated from 0.03x as on March 31, 2025. The company has not availed term loans in the last six years. Debt coverage indicators marked by PBILDT/Interest and total debt to gross cash accruals (TD/GCA) stood comfortable at 3.31x and 4.65x respectively in FY26, although moderated from 7.39x and 1.90x respectively in FY25.

With no significant capital expenditure planned in the near term and funding requirements expected to be met through internal accruals, the company's capital structure is anticipated to remain strong and stable.

Key weaknesses

Moderate financial performance in FY26 with loss reported at PAT level

Scale of operations marked by TOI stood at ₹333.60 crore in FY26 witnessing y-o-y decline of ~4% owing to muted sales . However, PBILDT margins experienced recovery from 1.17% in FY25 to 2.88% in FY26 driven by lower employee expenses and lower sales and distribution costs. ADL reported loss of ₹1.49 crore in FY26 against PAT of ₹17.20 crore in FY25, owing to lower profitability. In FY25, the company recognised exceptional non-cash income of ₹18.92 crore arising from fair valuation of investments as at the balance sheet date, which declined significantly to ₹0.63 crore in FY26. However, the company continued to generate positive cash accruals of ₹6.37 crore in FY26 (FY25: ₹6.48 crore).

Foreign exchange fluctuation risk

The company imports raw materials, lactose, glass bottles and amino acids, among others, from Finland, China, Austria and European countries and do not hedge its exposure. The company also exports its products to countries including Guyana, Philippines, Myanmar among others. The company does not undertake active hedging of its forex exposure, as it is largely mitigated through natural hedging by offsetting imports against exports.

Exposure to regulatory risk

The pharmaceutical industry is highly regulated in many other countries and requires approvals, licenses, registrations and permissions for business activities. The approval process for a new product registration is complex, lengthy and expensive. The time taken to obtain approval varies from across countries but generally takes from six months to several years from the date of application. CARE Ratings notes that delays or failures in getting approval for new product launch could adversely affect the company's business prospects.

Liquidity: Strong

Liquidity is marked by comfortable current ratio of 2.11x as on March 31, 2026, low working capital utilisation and healthy investment portfolio. In FY26, ADL generated cash accruals of ₹6.37 crore against nil debt repayment obligations in the year. ADL has liquid investments in the form of cash and bank fixed deposits amounting to ₹34.10 crore and liquid investments in mutual funds and bonds of ₹225.05 crore as on March 31, 2026. With a gearing of 0.08x as on March 31, 2026, the company has sufficient gearing headroom, to raise additional debt for its capex. However, the company relies on its internal accruals for its capex. The company's average working capital utilisation is generally low, and the company majorly avails overdraft (OD) against 100% cash margin for interest rate arbitrage. Average maximum working capital utilisation levels stood at 54% for 12-months ended April 2026.

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

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

Incorporated in 1938, the company was acquired by the Kolkata-based Kothari Group in 1965. The company set up its first manufacturing facility in Kolkata to manufacture pharmaceutical formulations as drugs, tablets and syrups. In 1981, it set up a manufacturing unit in Ghaziabad, Uttar Pradesh, to manufacture intravenous fluids in glass bottles and in polyethylene bottles based on form-fill-seal technology. Gradually, the company installed capacity to manufacture capsules, ointments and ophthalmological products in its Ghaziabad unit. The company's manufacturing facilities are in Kolkata (West Bengal) and Ghaziabad (Uttar Pradesh). The company's manufacturing facilities are GMP-certified by national agencies. The company offers a wide range of formulations under its brands in the domestic market. Its placental-based formulation, Placentrex, is the only human placenta-based product in India developed through indigenous research. It has emerged as the market leader in this segment and has a process patent over Placentrex.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Ab)
Total operating income	345.77	333.60
PBILDT	4.04	9.62
PAT	17.20	-1.49
Overall gearing (times)	0.03	0.08
Interest coverage (times)	7.39	3.31

A: Audited; Ab: Abridged; 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-Cash Credit		-	-	-	47.00	CARE A; Negative
Non-fund-based - LT-Forward contract/derivative limit		-	-	-	3.50	CARE A; Negative
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	11.00	CARE A; Negative / CARE A1
Non-fund-based - LT/ ST-Letter of credit		-	-	-	1.00	CARE A; Negative / 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 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	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	11.00	CARE A; Negative / CARE A1	-	1)CARE A; Negative / CARE A1 (25-Jun-25)	1)CARE A; Stable / CARE A1 (04-Jul-24)	1)CARE A; Stable / CARE A1 (06-Sep-23)
2	Fund-based - LT-Cash Credit	LT	47.00	CARE A; Negative	-	1)CARE A; Negative (25-Jun-25)	1)CARE A; Stable (04-Jul-24)	1)CARE A; Stable (06-Sep-23)
3	Non-fund-based - LT/ ST-Letter of credit	LT/ST	1.00	CARE A; Negative / CARE A1	-	1)CARE A; Negative / CARE A1 (25-Jun-25)	1)CARE A; Stable / CARE A1 (04-Jul-24)	1)CARE A; Stable / CARE A1 (06-Sep-23)
4	Non-fund-based - LT-Forward contract/derivative limit	LT	3.50	CARE A; Negative	-	1)CARE A; Negative (25-Jun-25)	1)CARE A; Stable (04-Jul-24)	1)CARE A; Stable (06-Sep-23)

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instrument/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 - LT-Forward contract/derivative limit	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple
4	Non-fund-based - LT/ ST-Letter of credit	Simple

Annexure 5: Lender details

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

Annexure-6: List of entities consolidated – Not applicable

Annexure-7: 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
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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