

Chandra Bhagat Pharma Limited

September 25, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long Term / Short Term Bank Facilities	-	23.75	CARE BB; Stable / CARE A4	Assigned
Long Term / Short Term Bank Facilities	RBI	16.25	CARE BB; Stable / CARE A4	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Chandra Bhagat Pharma Limited (CBPL) are constrained by its moderate scale of operations coupled with modest profitability, and higher working capital cycle primarily on account of elongated receivables. The ratings are further constrained by the company's reliance on third-party manufacturers, intense competition in the pharmaceutical industry, exposure to inherent regulatory risks, and susceptibility to foreign exchange fluctuations.

The ratings, however, derive strength from the promoters' long-standing experience in the pharmaceutical industry, comfortable capital structure, moderate debt protection metrics, diversified geographical presence, and diversified product portfolio.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in scale with total operating income (TOI) exceeding ₹150.00 crore and profit before interest, lease rentals, depreciation and taxation (PBILDT) margins of 10% on a sustained basis.
- Improvement in the working capital cycle below 60 days on a sustained basis while maintaining sufficient cushion in its working capital limits

Negative factors

- Deterioration in PBILDT margin on a sustained basis.
- Adverse regulatory action against CBPL.
- Large debt-funded capital expenditure leading to leading to deterioration in overall gearing levels to more than 1x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings) belief that the company will continue to benefit from its experienced promoters with established track record of operations in the industry.

Detailed description of key rating drivers

Key weaknesses

Moderate scale of operations with modest profitability

The company's scale of operations remained range-bound, despite its long track record, with TOI fluctuating over the years. TOI peaked at ₹232 crore in FY24 (refers to April 1 to March 31), supported by a few large one-time orders and favourable operating conditions, before declining to ₹90.23 crore in FY25 and subsequently improving to ₹119.47 crore in FY26. As on July 22, 2026, the company had an order book of over Rs.150 crore, executable over the next 30–90 days, providing near-term revenue visibility. Profitability has remained modest and fluctuating, indicating CBPL's limited ability to pass on the incremental raw material and logistics cost to its customers. PBILDT margin, though improved in FY26 due to foreign exchange gains and higher commission income, remained modest at 5.83% (PY: 2.15%).

¹SEBI: 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

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

High working capital intensity

CBPL's operations remain working capital intensive, as reflected in gross current asset days of 260 days in FY26 (PY: 383 days). Working capital is constrained by advances extended to certain suppliers and elevated receivable days of 145 days in FY26 (PY: 156 days), indicating a longer credit period. In FY26, collections from the Middle East/Gulf Cooperation Council (GCC) region, which accounted for around 40-45% of exports, were further impacted by the West Asia conflict. Following a change in the business model, inventory days declined significantly, while payable days increased to 65 days in FY26 (PY: 45 days), primarily due to higher expense bookings in March 2026. The overall operating cycle remained elongated at 89 days in FY26, albeit improving from 132 days in FY25.

Reliance on third-party manufacturers

The company does not have its own manufacturing set up and procures formulations through loan-licence and contract-manufacturing arrangements with third-party manufacturers. While this strategy has enabled the company to operate on assets light model, it also exposes the company to risks associated with dependence on third-party manufacturers, including supply chain disruptions, quality control issues, regulatory compliance and timely availability of products. These risks are mitigated to some extent by the availability of two to three alternative manufacturers for key products and oversight by the company's dedicated quality-control team. However, the company's ability to effectively manage its outsourcing arrangements while maintaining product quality and ensuring uninterrupted supplies will remain a key monitorable.

Intense competition, exposure to inherent regulatory risks and susceptibility to foreign exchange fluctuations

CBPL operates in a highly competitive international pharmaceutical market, where increasing regulatory scrutiny and heightened sensitivity towards product performance remain key challenges. The global pharmaceutical industry is subject to stringent regulations due to its direct impact on public health and require various approvals, licenses, registrations and permissions for business activities. Each authority has its own requirement, and they could delay or refuse to grant approval, even when a product has already been approved in another country. Any delay or failure in getting approval for new product launch or any adverse observations for third parties with whom the company has contracted for manufacturing could adversely affect the business prospect of the company. Additionally, changes in tax structures, duties, or tariffs can influence cost structures and market access. CBPL derives a significant portion of its revenue from exports to multiple geographies, exposing it to foreign exchange rate fluctuations. However, the company partially offsets this risk through established hedging practices, limiting impact on its profitability.

Key strengths**Experienced Promoter**

CBPL has over two decades of industry presence, leading to established relationships with customers and suppliers. CBPL is headed by Hemant Bhagat, Managing Director, along with his two sons i.e. Pranav Bhagat and Jay Bhagat. Pranav Bhagat oversees the company's strategic and business development activities, including its international operations and customer relationships, while Jay Bhagat is involved in operational management and portfolio development. Promoters are supported by a team of well-versed professionals having rich experience in their respective fields.

Comfortable capital structure and moderate debt coverage indicators

CBPL's capital structure remained comfortable, with overall gearing improving to 0.50x as on March 31, 2026, from 0.70x as on March 31, 2025, mainly due to accretion to reserves and reduction in total debt. Total debt primarily comprises working capital borrowings and vehicle loans, with no term-debt obligations.

The company has received shareholder approval for a preferential issue of convertible warrants of ₹29.04 crore, largely to the promoters. Post conversion, gearing is expected to strengthen further, in the absence of any significant planned debt addition. With improvement in profitability, debt coverage indicators improved in FY26 but remained moderate, with interest coverage and total debt to GCA of 3.78x and 3.98x, respectively (PY: 1.04x and 11.20x).

Diversified geographical presence and product portfolio

CBPL has a diversified geographical presence, with a customer base spanning more than 30 countries, in addition to the domestic market. The company derives a significant portion of its revenue from exports (~72% in FY26), supported by an established network of distributors and traders in overseas markets. It caters to multiple therapeutic segments, including critical-care products such as intravenous immunoglobulin (IVIG), corticosteroids, intravenous fluids and electrolytes, oncology drugs, anaesthetics and antibiotics, among others.

Liquidity: Stretched

The company's liquidity remains stretched, given its working capital-intensive operations and moderately high utilisation of the sanctioned working capital limits of ₹16.25 crore. The average of maximum utilisation was around 91% with a few instances of full utilisation of the limits during the 12 months ended June 30, 2026. Although the company has no term-debt repayment obligations, maintaining an adequate buffer in its working capital limits remains key to support liquidity. The company had free cash and bank balances of ₹3.11 crore as on March 31, 2026. Furthermore, the company generated cash flow from operations (CFO) of ₹11.11 crore in FY26, against a negative CFO ₹10.32 crore in FY25.

Assumptions/Covenants: Not applicable

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 & Biotechnology	Pharmaceuticals

Incorporated in 2003, Chandra Bhagat Pharma Limited (CBPL) (CIN: L24230MH2003PLC139534) is primarily engaged in the pharmaceutical formulations business. The company outsources manufacturing through loan-licence and contract-manufacturing arrangements with third-party manufacturers, selected based on the product category and regulatory requirements of the target market. CBPL primarily focuses on international markets, with a limited presence in the domestic market.

The company caters to a diversified range of therapeutic segments. Its products are marketed under own brand 'CBC' and sold through overseas agents and distributors. Apart from its core formulations business, CBPL selectively undertakes ancillary activities in the pharmaceutical sector, including API trading, machinery supply and diagnostic service contracts. The company was converted into a public limited company in April 2019, and its equity shares were listed on the BSE on February 14, 2020.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	90.23	119.47
PBILDT*	1.94	6.97
Profit after tax (PAT)	0.96	3.16
Overall gearing (x)	0.70	0.50
Interest coverage (x)	1.04	3.78

A: Audited; UA: Unaudited; Note: these are latest available financial results

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-	Not Applicable	-	-	16.25	CARE BB; Stable / CARE A4
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	-	Simple	-	Not Applicable	-	-	23.75	CARE BB; Stable / CARE A4

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	Fund-based - LT-Cash Credit	LT	-	-	1)Withdrawn (16-Jul-26)	1)CARE D; ISSUER NOT COOPERATING * (30-May-25)	1)CARE D; ISSUER NOT COOPERATING * (29-May-24)	-
2	Non-fund-based - ST-BG/LC	ST	-	-	1)Withdrawn (16-Jul-26)	1)CARE D; ISSUER NOT COOPERATING * (30-May-25)	1)CARE D; ISSUER NOT COOPERATING * (29-May-24)	-
3	Fund-based - LT/ST-CC/Packing Credit	LT/ST	16.25	CARE BB; Stable / CARE A4	-	-	-	-
4	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	23.75	CARE BB; Stable / CARE A4	-	-	-	-

*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: Lender details

To 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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Akhil Goyal Director CARE Ratings Limited Phone: 022-67543590 E-mail: akhil.goyal@careedge.in Darshan Shah Associate Director CARE Ratings Limited Phone: 022-67543408 E-mail: Darshan.shah@careedge.in Rakshya Daga Lead Analyst CARE Ratings Limited E-mail: Rakshya.daga@careedge.in
---	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**