

December 24, 2025

Aurore Life Sciences Pvt Ltd: Long-term rating downgraded to [ICRA]D and simultaneously upgraded to [ICRA]B (Stable); short-term rating downgraded to [ICRA]D and simultaneously upgraded to [ICRA]A4

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Term loans	21.27	3.85	Downgraded to [ICRA]D from [ICRA]BB- (Stable) and simultaneously upgraded to [ICRA]B (Stable)
Short-term – Fund-based – Working capital facilities	198.00	199.5	Downgraded to [ICRA]D from [ICRA]A4 and simultaneously upgraded to [ICRA]A4
Short-term – Non-fund based facilities – Letter of credit/ Bank guarantee	40.00	45.00	Downgraded to [ICRA]D from [ICRA]A4 and simultaneously upgraded to [ICRA]A4
Total	259.27	248.35	

*Instrument details are provided in Annexure I

Rationale

ICRA has taken a consolidated view of Aurore Life Sciences Pvt. Ltd. (Aurore Life) and Aurore Pharmaceuticals Private Limited (Aurore Pharma), together known as the Aurore Group/Aurore, for arriving at the ratings, given the operational and financial synergies among the entities.

The downgrade in the ratings to [ICRA]D considers the delays in debt servicing by Aurore Life as indicated in the company's audit report for FY2025, which was submitted to ICRA on December 22, 2025. ICRA had received the No Default Statement (NDS) from Aurore Life regularly, which did not suggest irregularity in debt servicing during this period. The simultaneous upgrade of the ratings to [ICRA]B (Stable)/ [ICRA] A4 considers the timely debt servicing witnessed over the last three months, aided by fund infusion from Matrix Pharmacorp Private Limited (Matrix) in the form of compulsorily convertible debentures (CCDs).

The ratings take into account the Group's weak financial profile, characterised by cash losses, high leverage, weak debt metrics, negative net worth and stretched liquidity position. Its performance in FY2025 was impacted by the two fire accidents, which took place at the company's plants in Jeedimetla and Kazhipally, Hyderabad. The Group's revenue growth was limited to 2% in FY2025 on account of the disruption in operations due to the fire accidents. The Group's OPM remained moderate at 9.6% in FY2025, improving to 17.8% in H1 FY2026 on the back of better operating leverage, along with an evolving product mix. However, this improvement was not adequate to restore the impact of the continued weak cash flows.

The ratings consider Aurore Life's established track record in the pharmaceutical industry, its healthy relationships with the customers and suppliers, in addition to the continued financial support received from its promoters (both existing and incoming).

The Group has debt repayments of Rs. 45.6 crore in FY2026, which are expected to be funded through CCDs from Matrix. While Matrix provided Rs. 70-crore CCDs in H1 FY2026, a further Rs. 50 crore is expected to be infused in H2 FY2026. Timely raising of these funds is critical for the company's liquidity position and debt servicing. The Group has experienced significant volatility in earnings over the past few years. Timely receipt of new product approvals and the ability to scale up sales for both the

existing and new products remain critical for improving the Group's earnings. The ratings also consider the entity's high working capital intensity, which, coupled with cash losses, resulted in a sustained increase in consolidated debt to Rs. 619 crore as on March 31, 2025 from Rs. 238.7 crore as on March 31, 2020 and Rs. 525.7 crore as on March 31, 2024. Additionally, the ratings consider the Group's exposure to various industry-wide regulatory and market risks inherent in the pharmaceutical industry.

The Stable outlook on the long-term rating reflects ICRA's opinion that the Aurore Group will be able to demonstrate steady growth in its revenues and earnings on the back of the company's established track record in the industry.

Key rating drivers and their description

Credit strengths

Financial support from the promoter Group supporting Aurore Group's funding requirements – The Aurore Group has been a part of the Tenshi Group, which has been providing need-based funding support to the entity. In FY2025, the Group received sizeable funds of ~Rs. 105 crore from the promoters to meet its funding requirements. The Group received an additional Rs. 70 crore in H1 FY2026 from Matrix. ICRA expects Matrix to continue providing need-based funding support to Aurore Group, and this is a key monitorable.

Credit challenges

Weak financial profile characterised by cash losses, high leverage, weak debt metrics, negative net worth and stretched liquidity position – The Group's debt metrics remain weak. The total debt of the Aurore Group increased to Rs. 619.1 crore as on March 31, 2025 from Rs. 525.7 crore as on March 31, 2024. The company raised non-convertible debentures (NCDs) worth Rs. 250 crore from Modulus Alternatives Investment Managers in FY2025. The Group's leverage remains high, with TD/OPBITDA of 13.4 times as on March 31, 2025. ICRA understands that the company's debt levels remain elevated in the current fiscal. Timely reduction in debt levels remains one of the key rating monitorables for the company.

Volatility in earnings over the last several years – The Group has faced significant volatility in earnings over the past few years. In FY2021, it witnessed significant revenue growth and marginal growth was realised in FY2022, supported by the sale of Covid-19 related products, following which revenues declined substantially in FY2023. In FY2024, the company recorded a substantial revenue growth of ~47%, aided by increased sales of non-Covid products like Erdosteine, Pinaverium, Valacyclovir, among others. However, in FY2025, the Group reported modest revenue growth of 2% on account of the company's revenues being impacted by the fire accidents at its production facilities. Accordingly, the Group, after reporting a strong OPM of 29.9% in FY2021, reported operating losses in FY2022 and FY2023. The Group's improved operating performance (on the back of rise in non-Covid revenue) in FY2024 led to an enhancement in OPM of 11.7%. This OPM subsequently reduced to 9.6% in FY2025.

High working capital intensity of operations on account of elevated debtors and inventory – As on March 31, 2025, the Group's inventory days decreased to 187 days compared to 198 days as on March 31, 2024. The same improved to 174 days as on September 30, 2025, however, it remains high. Besides, the debtor days increased to 163 as on March 31, 2025, from 160 as on March 31, 2024. Overall, the working capital intensity remained high at 51.9% in FY2025 due to elevated inventory and debtor days and sizeable reduction in creditor days from 437 as on March 31, 2024 to 315 days as on March 31, 2025. While the same reduced to 47.2% in H1 FY2026, working capital intensity continued to remain elevated. Trajectory of the same remains a key monitorable going forward.

Exposure to various market and regulatory risks associated with the Group's products – Akin to other industry players, the Aurore Group is exposed to regulatory scrutiny and uncertainties in the approval pathway for products. Further, volatility in raw material prices, pricing pressure and intense competition in the industry will be important factors driving the Group's revenues as well as margin trajectory.

Liquidity position: Stretched

The Group's liquidity position is stretched on the back of negative fund flow from operations (after considering the interest cost) and large debt repayments. It had marginal free cash and bank balance of around Rs. 1.1 crore and a limited buffer in its working capital facilities of Rs. 0.8 crore as on September 30, 2025. The average utilisation of the working capital facility was high at ~94% of the total limits sanctioned for the period from September 2024 to September 2025. The Group has total debt repayment obligations of Rs. 45.6 crore in FY2026 (including short-term debt). The same is proposed to be funded through additional fund infusion from Matrix and internal accruals. Going forward, the Group has repayment obligations of Rs. 82.6 crore in FY2027 and Rs. 61.8 crore in FY2028. It has a minimal capex outflow of Rs. 8 crore per annum for maintenance operations. Overall, the Group receives funding support from its promoter group, as and when required. Timely infusion of funds from the promoter Group will remain key monitorable going forward.

Rating sensitivities

Positive factors – The rating could be upgraded in case of a significant improvement in the liquidity position and capital structure of the Group, supported by material deleveraging, driven by sustained improvement in earnings and/or sizeable equity infusion.

Negative factors – Pressure on the ratings could arise if the company is unable to sustain the improved performance and/or non-liquidation of existing inventory results in a deterioration of the Group's credit profile. Additionally, any delayed infusion of funds to meet the Group's funding requirements (including debt repayments) will also impact the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Aurore Life. As on March 31, 2025, it had two subsidiaries which have been mentioned in Annexure II

About the company

Aurore Life commenced its operations in September 2016 with an independent research and development (R&D) centre in Hyderabad, targeting domestic and semi-regulated markets like the Middle East, Bangladesh and Egypt. The company acquired Eshwar Pharmaceuticals Ltd.'s (Eshwar) manufacturing plant in FY2019 in Kazipally, Hyderabad and created a completely new manufacturing plant where it produces intermediaries and active pharmaceutical ingredients (API) for semi-regulated markets. The present capacity of the facility is 400 KL. The manufacturing facility has received approval from the World Health Organisation, Geneva and has also been inspected by European Directorate for the Quality of Medicines and HealthCare (EDQM) authorities recently. The company has made filings for about 10 products with the European authorities.

As on September 30, 2025, HAPS, a Tenshi Group company, held a 44.26% equity stake in Aurore Life, with the balance being held by its erstwhile promoter, Mr. Rajender Rao, and Mr. Arun Kumar.

Aurore Pharma was established in 2017 as Sphery Life Sciences Private Limited. It provides contract manufacturing services to formulation manufacturers. As on date, ALS holds a 100% stake in APPL.

Key financial indicators (Consolidated):

Consolidated*	FY2024	FY2025	H1 FY2026*
Operating income	472.3	481.8	267.5
PAT	-31.5	-57.7	-4.4
OPBDIT/OI	11.70%	9.60%	17.80%
PAT/OI	-6.70%	-12.00%	-1.60%
Total outside liabilities/Tangible net worth (times)	-7.1	-8.8	-19.8
Total debt/OPBDIT (times)	9.5	13.4	6.0
Interest coverage (times)	0.9	0.6	1.2

Source: Company, ICRA Research; H1 FY2026 are provisional financials; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; The company's consolidated financials are not audited

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current ratings (FY2026)				Chronology of rating history for the past 3 years					
					FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Long-term-Term loan-Fund based	Long Term	3.85	Nov-28-2025	[ICRA]BB-(Stable)	Jun-28-2024	[ICRA]BB+(Stable) Issuer Not Cooperating	-	-	Jun-09-2022	[ICRA]BBB (Negative)
			Dec-24-2025	[ICRA]B (Stable)	Sep-12-2024	[ICRA]BB-(Stable)	-	-	Jun-30-2022	[ICRA]BBB (Negative)
					-	-	-	-	Mar-24-2023	[ICRA]BB+(Stable) Issuer Not Cooperating
Short-term-Working capital-Fund based	Short Term	199.50	Nov-28-2025	[ICRA]A4	Jun-28-2024	[ICRA]A4+ Issuer Not Cooperating	-	-	Jun-09-2022	[ICRA]A3+
			Dec-24-2025	[ICRA]A4	Sep-12-2024	[ICRA]A4	-	-	Jun-30-2022	[ICRA]A3+
					-	-	-	-	Mar-24-2023	[ICRA]A4+ Issuer Not Cooperating
Short-term-Others-Non-fund based	Short Term	45.00	Nov-28-2025	[ICRA]A4	Jun-28-2024	[ICRA]A4+ Issuer Not Cooperating	-	-	Jun-09-2022	[ICRA]A3+
			Dec-24-2025	[ICRA]A4	Sep-12-2024	[ICRA]A4	-	-	Jun-30-2022	[ICRA]A3+
					-	-	-	-	Mar-24-2023	[ICRA]A4+ Issuer Not Cooperating
Unallocated limits	Long Term/ Short Term								Jun-09-2022	[ICRA]BBB (Negative)/ [ICRA]A3+

Complexity level of the rated instruments

Instrument	Complexity indicator
Term loans	Simple
Working capital facilities	Simple
Letter of credit/ Bank guarantee	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loans	FY2019-FY2021	9.5%-10%	FY2025-27	3.85	[ICRA]B (Stable)
NA	Working capital facilities	-	-	-	199.5	[ICRA]A4
NA	Letter of credit/ Bank guarantee	-	-	-	45.00	[ICRA]A4

Source: Company data

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Aurore Pharmaceuticals Private Limited	100.0%	Full Consolidation
Empyrean Life Sciences Private Limited	100.0%	Full Consolidation

Source: Company; ownership as on date

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Mythri Macheri

+91 22 6114 3435

mythri.macherla@icraindia.com

Tanvir Singh

+91 22 6169 3359

tanvir.singh@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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