

June 05, 2026

## Orbit Lifescience Private Limited: Ratings reaffirmed; assigned for enhanced amount

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash Credit	13.50	13.50	[ICRA]BB (Stable); reaffirmed
Long-term/ Short-term - Fund-based – Packing Credit	-	7.00	[ICRA]BB (Stable)/ [ICRA]A4+; assigned
Short-term – Non-fund based – Others	16.50	16.50	[ICRA]A4+; reaffirmed
Long-term/Short-term – Unallocated	0.50	0.50	[ICRA]BB (Stable)/ [ICRA]A4+; reaffirmed
<b>Total</b>	<b>30.50</b>	<b>37.50</b>	

\*Instrument details are provided in Annexure II

### Rationale

The ratings reaffirmation for Orbit Lifescience Private Limited (OLPL) continues to draw comfort from the company's long and established track record, along with the extensive experience of its promoters in trading and contract manufacturing business. In FY2026, OLPL reported a strong 46% year-on-year (YoY) growth in the operating revenue to Rs. 237.6 crore on a provisional basis, driven by addition of new customers in active pharmaceutical ingredient (API) trading as well as improved traction in the pharmaceutical export segment. This expansion in the export business in the manufacturing segment is expected to support revenue growth over the medium term. However, the company's operating revenue declined by around 15% to Rs. 162.4 crore in FY2025 primarily due to cancellation of a major order in Mexico following political instability and management changes at the customer's end. Owing to the trading-oriented nature of its operations, OLPL's operating margins have remained thin and in the band of 2.5-3.0% over the past three fiscals and are expected to remain at similar levels over the medium term.

The ratings continue to be constrained by the company's moderate scale of operations and low profitability, which are inherent to the trading model, along with subdued coverage indicators arising from elevated working capital borrowings. The capital structure remains leveraged, given the limited net worth base and weak internal accruals, reflecting the low margin profile of the business. Additionally, the working capital cycle remains stretched, with elongated receivable days due to the extended credit period offered to customers, especially in export markets.

The Stable outlook on the long-term rating factors in ICRA's expectation of an improvement in OLPL's revenues and operating performance over the medium term, supported by sustained demand and expansion in its export portfolio. The outlook also reflects the expectation that any incremental capital expenditure, if undertaken, will be modest and funded in a calibrated manner, enabling the company to maintain its debt protection metrics at levels commensurate with the current ratings.

### Key rating drivers and their description

#### Credit strengths

**Experience of promoters and established track record in trading/contract manufacturing operations** – Mr. Amit Sheth and Mr. Ashish Sheth, sons of Mr. Arvind Sheth (now retired), are currently responsible for the day-to-day management of the business. The family has been engaged in the same line of business for over four decades. The management's industry experience and established relationships have supported order inflows, reflected in the steady growth in OLPL's operating income over the years.

**Diversified product portfolio and established relationships with reputed pharma players** – OLPL has a diversified portfolio comprising tablets and capsules, oral liquid syrups, dry powder injections and syrups, dental rotary files, inhalers, among others. The company offers nearly 400 finished formulation products and APIs across multiple therapeutic segments, including antibiotics, antidiabetics, vitamins, analgesics, female hygiene, cosmetics, gastro, respiratory, and non-steroidal anti-inflammatory drugs. It has tie-ups with 11 licensed facilities in India for contract manufacturing and has established long relationships with pharmaceutical players across domestic and international markets, including the UK, the UAE, Colombia, Vietnam, Mexico, the US and some European countries, resulting in a diversified geographical presence.

### Credit challenges

**Moderate scale of operations and thin profit margins due to trading nature of operations** – OLPL's operating revenue increased to Rs. 237.6 crore in FY2026 (provisional), reflecting a 46% YoY growth and an improvement in the scale of operations, which remains moderate. In FY2025, the operating income declined by around 15% to Rs. 162.4 crore, primarily due to discontinuation of a few large contracts with certain customers on account of operational constraints. Its operating margins have remained modest and range-bound at 2.5-3% over the past three fiscals, reflecting the inherently low-margin, trading oriented nature of operations.

**Leveraged capital structure and coverage indicators** – The capital structure has improved but remains leveraged, as reflected by a gearing of 1.0 times and TOL/TNW of 5.4 times in FY2026, attributable to the modest net worth base and working capital-intensive nature of the business. While debt protection metrics remain moderate, they have improved, with interest coverage increasing to 4.6 times in FY2026 from 2.1 times in FY2025, supported by an improvement in operating margins. The debt protection metrics are expected to improve further over the medium term, driven by growth in operating revenue and the resulting impact on margins, although margins are expected to remain range-bound, given the trading nature of the business.

**Presence in competitive and regulated industry** – The domestic API and formulations industry is characterised by intense competition from a large number of contract manufacturers, multinational companies, and well-established domestic players with a pan-India presence. This high level of competition constrains OLPL's revenue growth prospects and limits its pricing flexibility. However, the company's exposure to export markets partly offsets such pressure. Nevertheless, its operations remain subject to regulatory risks, including pricing controls in the domestic market, product and facility approval requirements, and evolving socio-political conditions in its export geographies.

### Liquidity position: Adequate

The liquidity profile of the company is Adequate, supported by free cash and bank balances of Rs. 2.3 crore as on March 31, 2026. The liquidity position is further aided by sufficient cushion in the form of undrawn working capital limits, with an average working capital utilisation of 30% during the last 12 months ended in March 2026. Additionally, the promoters infused Rs. 13.6 crore of unsecured loan in FY2026 to support the working capital requirements. The company has modest repayment obligations of Rs. 0.5-1.0 crore and does not envisage any major capex in the near term.

### Rating sensitivities

**Positive factors** – ICRA could upgrade OLPL's ratings if there is a sustained increase in earnings, strengthening the net worth base. Efficient working capital management, restricted borrowing levels and improvement in the overall liquidity profile will also be positive factors for the ratings. Specific credit metrics that could lead to an upgrade will be an interest coverage of more than 2.5 times on a sustained basis.

**Negative factors** – Pressure on OLPL's ratings could arise if a substantial decline in scale and profitability, leading to lower-than-expected cash accruals or any large debt-funded capex or a deterioration in the working capital cycle, impact its overall liquidity profile. Any significant debtor write-off that further impacts the financial profile/net worth base will also be a negative rating trigger.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Pharmaceuticals</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company's standalone financial profile

## About the company

Orbit Lifescience Private Limited, a business unit of the Orbit Group, was incorporated in 2003. The company is involved in trading of APIs and contract manufacturing of formulations. It has also expanded into in-licensing formulation products. The company sells its products to customers in the UK, the UAE, Colombia, Vietnam, Mexico, the US and some European countries. OLPL's contract manufacturers are spread across several states in India.

## Key financial indicators (audited/provisional)

OLPL - Standalone	FY2024	FY2025	FY2026*
Operating income	190.9	162.4	237.6
PAT	0.2	0.6	6.5
OPBDIT/OI	2.5%	2.5%	3.0%
PAT/OI	0.1%	0.4%	2.7%
Total outside liabilities/Tangible net worth (times)	4.0	3.6	5.4
Total debt/OPBDIT (times)	5.7	4.4	3.1
Interest coverage (times)	2.0	2.1	4.6

Source: Company, ICRA Research; \* provisional numbers, All ratios as per ICRA's calculations; Amount in Rs. crore  
 PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Jun 05, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
1 Cash Credit	Long term	13.50	[ICRA]BB (Stable)	May 09, 2025	[ICRA]BB (Stable)	Apr 23, 2024	[ICRA]BB (Stable)	-	-
2 Packing Credit	Long term/short term	7.00	[ICRA]BB (Stable)/[ICRA]A4+	-	-	-	-	-	-
3 Non-fund based	short term	16.50	[ICRA]A4+	May 09, 2025	[ICRA]A4+	Apr 23, 2024	[ICRA]A4+	-	-
4 Unallocated	Long term/Short term	0.50	[ICRA]BB (Stable)/[ICRA]A4+	May 09, 2025	[ICRA]BB (Stable)/[ICRA]A4+	Apr 23, 2024	[ICRA]BB (Stable)/[ICRA]A4+	-	-

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (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 Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	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.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI

Sr. No.	Activity Name	FSR
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund-based – Cash Credit	Simple
Long-term/short term - Fund-based – Packing Credit	Simple
Short-term Non-fund based – Others	Simple
Long-term/ Short-term – Unallocated	Not applicable

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	13.50	[ICRA]BB (Stable)
NA	Packing credit	NA	NA	NA	7.00	[ICRA]BB (Stable)/ [ICRA]A4+
NA	Non-fund based	NA	NA	NA	16.50	[ICRA]A4+
NA	Unallocated	NA	NA	NA	0.50	[ICRA]BB (Stable)/ [ICRA]A4+

Source: Company

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

## Annexure III: List of entities considered for consolidated analysis – Not Applicable

## ANALYST CONTACTS

**Jitin Makkar**

+91 124 4545 368

[jitinm@icraindia.com](mailto:jitinm@icraindia.com)

**Uday Kumar**

+91 124 4545 867

[uday.kumar@icraindia.com](mailto:uday.kumar@icraindia.com)

**Ronak Vadher**

+91 22 6169 3341

[ronak.vadher@icraindia.com](mailto:ronak.vadher@icraindia.com)

## RELATIONSHIP CONTACT

**L. Shivakumar**

+91 22 6114 3406

[shivakumar@icraindia.com](mailto:shivakumar@icraindia.com)

## MEDIA AND PUBLIC RELATIONS CONTACT

**Ms. Naznin Prodhani**

Tel: +91 124 4545 860

[communications@icraindia.com](mailto:communications@icraindia.com)

## HELPLINE FOR BUSINESS QUERIES

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

[info@icraindia.com](mailto:info@icraindia.com)

## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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## ICRA Limited



### Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



### Branches



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