

December 17, 2025

Hubert Healthcare Private Limited: Rating assigned

Summary of rating action

| Instrument* | Current rated amount (Rs. crore) | Rating action |
|--------------------------------------|-------------------------------------|------------------------------|
| Long-term – Fund-based – Term Loan | 14.96 | [ICRA]BB- (Stable); assigned |
| Long-term – Fund-based – Cash Credit | 29.00 | [ICRA]BB- (Stable); assigned |
| Long-term – Unallocated Limits | 1.04 | [ICRA]BB- (Stable); assigned |
| Total | 45.00 | |

*Instrument details are provided in Annexure I

Rationale

The assigned rating considers Hubert Healthcare Private Limited’s (HHPL) established Research & Development capabilities and its focus on developing niche Active Pharmaceutical Ingredients (APIs) for its customers. The company’s product portfolio includes high-demand APIs such as dapagliflozin propendiol (anti-diabetic), sacubitril sodium (cardiovascular), and tapentadol hydrochloride (pain management), among others. HHPL has a range-bound revenue of Rs. 100-140 crore during FY2023-FY2025, supported by commercialisation of new APIs and addition of clients.

The rating is, however, constrained by the company’s moderate scale of operations, with revenues of Rs. 100-140 crore during FY2023-FY2025 and projected at Rs. 100–120 crore in FY2026. The profitability margins remain exposed to raw material price volatility, particularly for the imported intermediates. Further, pending regulatory approvals, including WHO-GMP certification, limit the company’s ability to enter regulated export markets in the near term.

The Stable outlook reflects expectations of sustained demand for existing products and potential growth from exports once regulatory approvals are obtained, supported by the company’s strong product pipeline and product portfolio expansion plan.

Key rating drivers and their description

Credit strengths

Experienced promoter in pharmaceutical business – HHPL’s promoters have significant experience in the pharmaceutical industry, which resulted in healthy relationships with customers and suppliers. The company has been supplying APIs to various clients in the domestic market. HHPL was incorporated in 2016 by Mr. Srikanth Reddy.

Strong R&D capability and innovative product portfolio – HHPL demonstrates strong fundamentals, supported by its established R&D capabilities and diversified product portfolio. The company has consistently invested in research and development, enabling the launch of first-to-market and off-patent products such as dapagliflozin, bempedoic acid, tapentadol hydrochloride, and sacubitril sodium, which cater to high-growth therapeutic segments like anti-diabetic, cardiac, and pain management.

Credit challenges

Margins exposed to fluctuation in raw material prices – HHPL’s profitability is sensitive to raw material price volatility, given its focus on manufacturing APIs and intermediates. The company sources certain critical intermediates from external suppliers,

including imports from China, which exposes it to global price movements and currency fluctuations. The company’s operating profit margin (OPM) remained moderate at 4-5% during FY2024-FY2025 due to fluctuating raw material prices amid competitive business environments.

Moderate scale of operations – HHPL operates at a moderate scale with revenues of Rs. 100-140 crore during FY2023-FY2025 and projected to report Rs. 100–120 crore for FY2026 as well. Operations are currently focused on the domestic API market, with exports expected to commence after obtaining WHO-GMP certification. While the company has a strong product pipeline and expansion plans, its current size positions it as a mid-tier player in the pharmaceutical API segment.

Pending key regulatory approvals – HHPL’s manufacturing facility, commissioned in July 2025, is currently in the process of obtaining key certifications such as WHO-GMP and other regulatory approvals. These certifications require product validation and stability studies for few months before application. Until these approvals are secured, the company’s ability to enter regulated export markets and scale operations remains constrained, making timely completion of these processes critical for future growth.

Liquidity position: Adequate

The liquidity position is adequate, supported by sufficient buffer of Rs. 7.0-8.0 crore in cash credit limits as of September 2025. The company is expected to generate retained cash flow of Rs. 2.0-3.0 cash flow annually. The company has around Rs. 2.0 crore of annual repayment from FY2026 for the term loan of Rs. 15.8 crore to fund its own manufacturing unit. Going forward, the company does not have any major capex planned and available liquidity is sufficient to take care of the annual repayment and additional working capital requirement, if any.

Rating sensitivities

Positive factors – ICRA could upgrade HHPL’s rating if there is a steady improvement in revenues and earnings leading to improvement in debt protection metrics on a sustained basis. Specific credit metrics that may lead to a rating upgrade include TD/OPBITDA less than 5.0 times on a sustained basis.

Negative factors – Pressure on HHPL’s rating could arise if any substantial decline in revenues or earnings or any large debt-funded capex leads to deterioration in debt coverage metrics and liquidity position, on a sustained basis.

Analytical approach

| Analytical approach | Comments |
|---------------------------------|---|
| Applicable rating methodologies | Corporate Credit Rating Methodology Pharmaceuticals |
| Parent/Group support | Not applicable |
| Consolidation/Standalone | Standalone |

About the company

HHPL is engaged in manufacturing, buying, selling, offering consultancy services, importing and exporting, acting as commission agents and generally dealing with of all types of organic and inorganic chemicals, pharmaceuticals, APIs and intermediates. The company’s manufacturing operations commenced from July 2025.

Key financial indicators (audited)

| HHPL (Standalone) | FY2024 | FY2025 |
|--|--------|--------|
| Operating income | 78.2 | 141.8 |
| PAT | 1.5 | 4.1 |
| OPBDIT/OI | 3.5% | 4.9% |
| PAT/OI | 1.9% | 2.9% |
| Total outside liabilities/Tangible net worth (times) | 11.4 | 6.9 |
| Total debt/OPBDIT (times) | 5.5 | 4.6 |
| Interest coverage (times) | 4.6 | 6.5 |

Source: Company, ICRA Research; 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

| Current (FY2026) | | | | | Chronology of rating history for the past 3 years | | | | | | | |
|--------------------|-----------|--------------------------|--------------|-------------------|---|--------|--------|--------|--------|--------|--------|--|
| | | | | | FY2026 | | FY2025 | | FY2024 | | FY2023 | |
| Instrument | Type | Amount rated (Rs. crore) | Date | Rating | Date | Rating | Date | Rating | Date | Rating | | |
| Term Loan | Long-Term | 14.96 | Dec 17, 2025 | [ICRA]BB-(Stable) | - | - | - | - | - | - | | |
| Cash Credit | Long-Term | 29.00 | Dec 17, 2025 | [ICRA]BB-(Stable) | - | - | - | - | - | - | | |
| Unallocated Limits | Long-Term | 1.04 | Dec 17, 2025 | [ICRA]BB-(Stable) | - | - | - | - | - | - | | |

Complexity level of the rated instruments

| Instrument | Complexity indicator |
|--------------------------------------|----------------------|
| Long-term – Fund-based – Term Loan | Simple |
| Long-term – Fund-based – Cash Credit | Simple |
| Long-term – Unallocated Limits | 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 I: Instrument details

| ISIN | Instrument name | Date of issuance | Coupon rate | Maturity | Amount rated (Rs. crore) | Current rating and outlook |
|------|--------------------------------------|------------------|-------------|----------|--------------------------|----------------------------|
| NA | Long-term – Fund-based – Term Loan | FY2025 | 8.1% | FY2034 | 14.96 | [ICRA]BB- (Stable) |
| NA | Long-term – Fund-based – Cash Credit | NA | NA | NA | 29.00 | [ICRA]BB- (Stable) |
| NA | Long-term – Unallocated Limits | NA | NA | NA | 1.04 | [ICRA]BB- (Stable) |

Source: Company

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

Annexure II: List of entities considered for consolidated analysis – Not applicable

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