

September 15, 2025

Anuh Pharma Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term -interchangeable (CC/WCDL)	(5.00) ^	(5.00) ^	[ICRA]A-(Positive); reaffirmed
Short-term - interchangeable (Export credit)	(60.00) ^	(60.00) ^	[ICRA]A2+; reaffirmed
Short-term, Non-fund Based Limits (Letter of credit/ SBLC/ buyers credit)	90.00	90.00	[ICRA]A2+; reaffirmed
Long-term/ short term- interchangeable (Bank Guarantee)	(90.00) ^	(90.00) ^	[ICRA]A-(Positive)/ [ICRA]A2+; reaffirmed
Total	90.00	90.00	

*Instrument details are provided in Annexure I; ^ Sub-limit of Rs. 90.0 crore non-fund based facilities

Rationale

The reaffirmation of ratings and the outlook for Anuh Pharma Limited (APL) factors in APL's favourable business and revenue prospects, driven by capacity enhancements, entry into new geographies and launch of new products. Besides, the company's liquidity position is strong, underpinned by healthy unencumbered cash and liquid investments of Rs. 83.4 crore and non-current investments of Rs. 51.9 crore as on March 31, 2025, against total debt of Rs. 10.9 crore (including lease liabilities).

The company reported a 2% YoY revenue growth in FY2026, led by healthy volume sales of profit builder products as realisations were impacted. Revenues grew considerably on a YoY basis to 35% in Q1 FY2026, largely led by diversification of customer base, ramp up of operations and better trading opportunities. The operating profit margins, however, declined to 5.5% in Q1 FY2026 vis-à-vis 7.7% in Q1 FY2025 as sales of high margin accretive products got deferred to later quarters. The revenue growth trajectory is expected to continue over the medium term, supported by healthy demand and production levels along with launch of new products. Additionally, the company has taken several marketing initiatives to increase its presence across regulated and unregulated markets over the medium term. Ability of the company to profitably ramp up new capacities as well as new products remains a key monitorable.

The ratings, however, remain constrained by APL's growing, although relatively moderate scale of operations with a product profile of mature and commoditised molecules, exposing its profit margins to price-based competition. Besides, APL remains exposed to regulatory and foreign exchange (forex) risks due to the nature of its operations. The company also remains exposed to concentration risks, with the company operating out of a single manufacturing facility in Boisar (Maharashtra).

Key rating drivers and their description

Credit strengths

Established track record in API manufacturing – APL has been manufacturing active pharmaceutical ingredients (APIs) since 1989 with a product portfolio of erythromycin and salts and higher macrolides like azithromycin, roxithromycin, pyrazinamide and chloramphenicol. As per the company, it has a healthy share in the global market for its key products and is among the leaders in erythromycin and its salts.

Healthy financial risk profile – Aided by adequate retained cash flows and unencumbered cash and liquid investments, APL's dependence on external debt has remained limited. As on March 31, 2025, APL's total debt of Rs. 10.9 crore includes stand-by letter of credit of Rs. 10.5 crore and lease liabilities of Rs. 0.4 crore. Further, the company maintained its cash surplus status, with unencumbered cash and liquid investments of Rs. 83.4 crore and non-current investments of Rs. 51.9 crore as on March 31, 2025. Its debt coverage indicators also remained robust, as evident from an interest coverage of 51.8 times and debt service coverage ratio (DSCR) of 36.3 times in FY2025.

Favourable business outlook – APL reported a 2% YoY revenue growth in FY2026, led by healthy volume sales of higher profit margin products, though the realisations remained impacted. The business outlook for APL remains favourable, led by capacity enhancements and launch of new products. Owing to healthy demand for its products, the company enhanced its capacities of API to 2,200 MT from 1,800 MT towards the end of FY2025, funded through internal accruals. This is expected to support APL's revenue growth and product diversification over the medium term. Further, APL has obtained the certification of suitability (CEP) for glicazide (anti-diabetes) and alluprinol (antigout) and European Directorate for Quality Medicine (EDQM) for azithromycin (antibiotic) and alluprinol (antigout) in FY2024. With this approval, the opportunity for sales in the European market and institutional business is expected to open up. Additionally, the company has taken several marketing initiatives to increase its presence across regulated and unregulated markets over the medium term. Also, new products such as sulfadimethoxine sodium, ticagrelor, linagliptin, pyronaridine tetraphosphate, vonoprazon fumarate and ethambutol are at the development stage, which are expected to further diversify APL's product profile.

Credit challenges

Moderate, albeit growing, scale of operations – The company remains a moderate sized player in the bulk drug industry with revenues of Rs. 661 crore in FY2025. Timely receipt of regulatory approvals for its new products to further diversify its product profile will remain an important driver for revenues and profit margins and will be critical for the credit perspective on an ongoing basis. The company also remains exposed to concentration risk as it operates from a single manufacturing facility in Boisar (Maharashtra).

Product profile of mature and commoditised products exposes APL to intense price-based competition – APL's dominant product profile comprises mature and commoditised molecules, including erythromycin, pyrazinamide and corticosteroids, which exposes it to intense price-based competition. Given the commoditised nature, the margin remains susceptible to raw material price movements and product sales mix, which is also reflected by margin fluctuations witnessed on a quarterly basis.

Exposure to regulatory and forex risks owing to nature of operations – APL caters to regulated markets like Western Europe and semi-regulated markets like West Asia, Latin America and Southern Europe. The company holds CEP, World Health Organization Good Manufacturing Practices (WHO GMP), Federal Committee for Protection from Sanitary Risks (COFEPRIS-Mexico) and EDQM certifications for manufacturing various bulk drugs, which are reviewed on a periodic basis by the respective regulatory agencies. Any suspension of these certifications can impact its exports to these regulated and semi-regulated markets, as witnessed in FY2017. The company's profit margins also remain vulnerable to forex fluctuations on account of its export operations. However, the company's practice of hedging net foreign currency exposure mitigates forex related risks to a large extent.

Environmental and social risks

Environmental considerations – APL does not face any major physical climate risk. However, it remains exposed to tightening environmental regulations for breach of waste and pollution norms, which can lead to an increase in operating costs and new capacity instalment costs. This may also require capital investments to upgrade its effluent treatment infrastructure to reduce its carbon footprint and waste generation.

Social considerations – The industry faces social risks related to product safety and associated litigation risk, access to qualified personnel for R&D and process engineering, and maintenance of high manufacturing compliance standards. However, the

company has also adopted an environment, health and safety policy. Further, Government intervention related to price caps/control also remains a social risk faced by entities in the pharmaceutical industry.

Liquidity position: Strong

The company's liquidity profile is strong, underpinned by healthy free cash and liquid investments of Rs. 83.4 crore, and non-current investments of Rs. 51.9 crore as on March 31, 2025. Along with largely unutilised working capital limits, these provide a strong liquidity cushion. Against this, the company does not have any long-term debt servicing obligations (except lease liabilities), nor any plan to incur debt-funded capital expenditure (capex) in the near term.

Rating sensitivities

Positive factors – APL's ratings may be upgraded if it significantly improves its scale of operations and profitability along with diversification of its product portfolio.

Negative factors – The ratings would be revised to Stable if the ramp-up of enhanced capacity is slower than expected, exerting pressure on profitability. Pressure on the ratings could arise in case the company's operating margins fall below 7% on a sustained basis. Any regulatory non-compliance issued to APL for its products and/or manufacturing facilities that could impact its revenues and profitability, would also be a negative rating trigger. Further, any large capex or investment exerting pressure on the company's credit metrics or any significant weakening of the liquidity position would be negative triggers as well.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial profile of the company

About the company

Anuh Pharma Limited, a part of the SK Group of Companies, is a medium-sized player in the API/bulk drugs industry, manufacturing products such as erythromycin and its salts and higher macrolides like azithromycin, roxithromycin, pyrazinamide and chloramphenicol. As per the company, it is the largest producer of erythromycin salts in India and among the top five producers in the world. It is also the largest producer of pyrazinamide in the world. APL's manufacturing facility at Boisar and Thane (Maharashtra), has an annual production capacity of 2,200 MT (1,600 MT APIs and 800 MT intermediates). The company also has an R&D centre at Mahape, Navi Mumbai.

Key financial indicators (audited)

APL - Standalone	FY2024	FY2025	Q1 FY2026
Operating income	647.0	661.5	186.5
PAT	60.1	47.4	8.3
OPBDIT/OI	11.8%	9.7%	5.5%
PAT/OI	9.3%	7.2%	4.5%
Total outside liabilities/Tangible net worth (times)	0.5	0.5	
Total debt/OPBDIT (times)	0.0	0.2	
Interest coverage (times)	79.5	51.8	48.7

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 ratings (FY2026)			Chronology of rating history for the past 3 years						
			FY2025			FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Sep 15, 2025	Date	Rating	Date	Rating	Date	Rating
Interchangeable (CC/WCDL)	Long-term	(5.00)	[ICRA]A- (Positive)	Jan-03-25	[ICRA]A- (Positive)	Dec-28-23	[ICRA]A- (Stable)	Oct-20-22	[ICRA]A- (Stable)
Interchangeable (Export credit)	Short-term	(60.00)	[ICRA]A2+	Jan-03-25	[ICRA]A2+	Dec-28-23	[ICRA]A2+	Oct-20-22	[ICRA]A2+
Non-fund Based Limits (Letter of credit/ SBLC/ buyers credit)	Short-term	90.00	[ICRA]A2+	Jan-03-25	[ICRA]A2+	Dec-28-23	[ICRA]A2+	Oct-20-22	[ICRA]A2+
Interchangeable (Bank Guarantee)	Long-term/ short term	(90.00)	[ICRA]A- (Positive)/ [ICRA]A2+	Jan-03-25	[ICRA]A- (Positive)/ [ICRA]A2+	Dec-28-23	[ICRA]A- (Stable)/ [ICRA]A2+	Oct-20-22	[ICRA]A- (Stable)/ [ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term -interchangeable (CC/WCDL)	Simple
Short-term - interchangeable (Export credit)	Simple
Short-term, Non-fund Based Limits (Letter of credit/ SBLC/ buyers credit)	Very simple
Long-term/ short term- interchangeable (Bank Guarantee)	Very 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	Cash Credit - Interchangeable	-	-	-	(5.00) *	[ICRA]A-(Positive)
NA	Interchangeable (Export credit)	-	-	-	(60.00) *	[ICRA]A2+
NA	Non-fund Based Limits (Letter of credit/ SBLC/ buyers credit)	-	-	-	90.00	[ICRA]A2+
NA	Interchangeable (Bank Guarantee)	-	-	-	(90.00) *	[ICRA]A-(Positive)/ [ICRA]A2+

Source: Company; * Sub-limit of Rs. 90.0 crore non-fund based facilities

[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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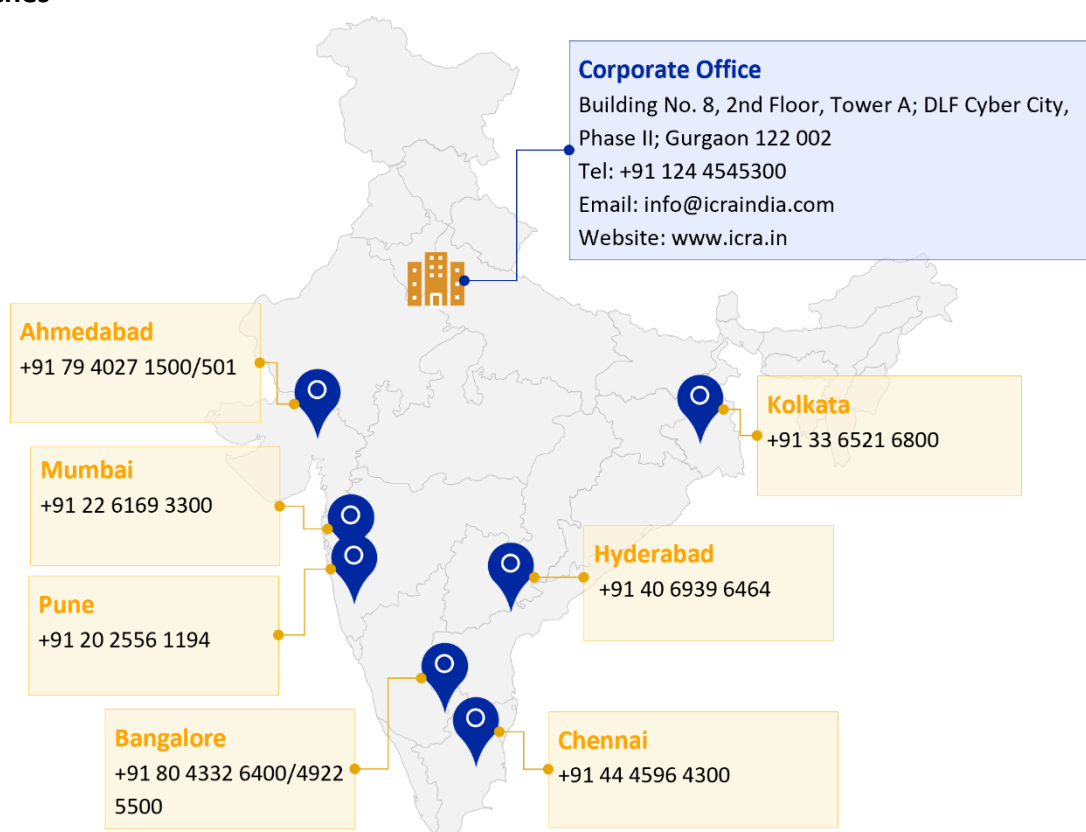
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