

Rating Rationale

06 Jul 2026

Beta Drugs Ltd.

Brickwork Ratings assigns the long-term and short-term ratings of “BWR A-/Stable/BWR A2” for the bank loan facilities of Rs. 42.89 Cr. Simultaneously, BWR withdraws the rating for the bank loan facility of Rs. 7.25 Cr. of Beta Drugs Ltd.

Particulars:

Facilities**	Amount (Rs.Crs.)		Tenure	Rating#	
	Previous	Present		Previous (10-Apr-25)	Present
Fund Based					
Term Loan - Sanctioned	1.25	0.00	Long Term	BWR B /Stable Continues to be in ISSUER NOT COOPERATING* category/Downgraded	Withdrawn
Cash Credit - Sanctioned	5.00	0.00			
Cash Credit - Proposed	1.00	0.00			
Term Loan -Sanctioned	0.00	15.08			
Working Capital Term Loan -Sanctioned	0.00	0.33			
Cash Credit -Sanctioned	0.00	15.00			
FCTL -Sanctioned	0.00	1.48			
Pre Settlement Risk -Sanctioned	0.00	1.00	Short Term	-	BWR A2 (Assignment)
Pre-Shipment Credit -Sanctioned	0.00	5.00			
Sub-Limit (Post-Shipment Credit (Sublimit of Pre-shipment credit)) -Sanctioned	0.00	(5.00)			
Sub-Limit (Pre-Shipment Credit (Sublimit of CC)) -Sanctioned	0.00	(10.00)			
Sub-Limit (Post-Shipment Credit (Sublimit of CC)) -Sanctioned	0.00	(10.00)			
Sub-Limit (Purchase Bill Discounting (Sub Limit of CC Limit)) -Sanctioned	0.00	(6.00)			
Sub-Limit (Purchase Bill Discounting (Sub Limit of PBG Limit)) -Sanctioned	0.00	(5.00)			
Sub Total	7.25	37.89			
Non-Fund Based					
Performance Bank Guarantee -Sanctioned	0.00	5.00	Short Term	-	BWR A2 (Assignment)
Sub-Limit (Letter of Credit-Non-Capex (Sub Limit of PBG Limit)) -Sanctioned	0.00	(5.00)			
Sub-Limit (Financial Bank Guarantee (Sub	0.00	(5.00)			

Limit of PBG Limit)) -Sanctioned				
Sub-Limit (Financial Bank Guarantee (Sub Limit of CC Limit)) -Sanctioned	0.00	(5.00)		
Sub-Limit (Letter of Credit-Non-Capex (Sub Limit of CC Limit)) -Sanctioned	0.00	(5.00)		
Sub-Limit (BG Material (Sub Limit of CC Limit)) -Sanctioned	0.00	(5.00)		
Sub Total	0.00	5.00		
Grand Total	7.25	42.89	(Rupees Forty-Two Crore and Eighty-Nine Lakh Only)	

#Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities is provided in Annexure-I

RATING ACTION / OUTLOOK

Brickwork Ratings has assigned a long-term rating of BWR A-/Stable and a short-term rating of BWR A2 to the bank loan facilities of Beta Drugs Limited (BDL) aggregating to Rs. 42.89 crore. Brickwork Ratings has also simultaneously withdrawn the previously assigned ratings aggregating to Rs. 7.25 crore upon receipt of the No Due Certificate (NDC), as the facilities have been closed.

The ratings reflect the group's established position in the niche oncology formulations segment, supported by its experienced management, vertically integrated business model, and healthy financial risk profile. The ratings also factor in the conversion of Rs. 117.00 crore of Compulsorily Convertible Debentures (CCDs) into equity in May 2026, which has significantly strengthened the group's capital structure by improving its tangible net worth and reducing leverage.

The ratings further derive strength from the acquisition of a 66.09% stake in Nivian Lifesciences Private Limited, marking the group's entry into the fast-growing IVF and women's healthcare segment. The acquisition is expected to diversify the group's revenue profile and generate operational synergies over the medium term. Further, the group's backward integration through its wholly owned subsidiary, Adley Lab Limited, which meets around 65%–70% of the group's API requirements, supports supply chain stability and cost efficiency. The ongoing expansion of Adley Lab Unit II for the manufacture of Key Raw Materials (KRM) is expected to further strengthen the group's backward integration. The ratings are also supported by the group's comfortable liquidity position and healthy debt protection metrics.

However, the ratings are constrained by the group's continued dependence on the oncology formulations segment, which remains highly competitive and exposed to pricing pressures. The ratings are also constrained by its exposure to foreign exchange fluctuations and geopolitical developments in key export markets, which may impact export realizations and business performance.

The Stable outlook reflects Brickwork Ratings' expectation that Beta Drugs Limited will continue to maintain a stable business and financial risk profile over the medium term, supported by its established market position, strong backward integration, diversified product portfolio, healthy liquidity, and the expected benefits from the acquisition of Nivian Lifesciences and the commissioning of Adley Lab Unit II.

The rating is based on the audited financial statements for FY24, FY25, and FY26, projected financials for FY27 and FY28, publicly available information, and management clarifications.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The rated bank facilities are subject to standard terms and conditions and financial covenants generally stipulated by the respective lenders.

KEY RATING DRIVERS

Credit Strengths-:

- **Strong Operational Integration and Diversified Business Profile**

The group benefits from a vertically integrated business model through its wholly owned subsidiary, Adley Lab Limited, which meets around 65%–70% of the group's API requirement. The ongoing Unit II expansion is expected to further strengthen backward integration by manufacturing key raw materials. The group has also diversified its business across oncology, dermatology, cosmeceuticals, and the IVF segment through its subsidiaries, reducing dependence on a single therapeutic area.

- **Strengthened Capital Structure**

The group's capital structure has improved significantly following the mandatory conversion of Rs. 117 crore of Compulsorily Convertible Debentures (CCDs) into equity on May 25, 2026. The conversion has eliminated the related debt and interest burden, strengthened the Tangible Net Worth, and is expected to improve the group's leverage and debt protection metrics going forward.

Credit Risks-:

- **Working Capital Intensive Operations**

The group's operations remain working capital intensive due to the need to maintain adequate inventory and raw material levels. Profitability during FY26 was also impacted by higher finance costs on the CCDs prior to their conversion and increased employee costs associated with capacity expansion.

- **Exposure to Regulatory and Export Market Risks**

The company remains exposed to regulatory risks and demand fluctuations in export markets. During FY26, export sales were impacted by delays in international tenders, highlighting the group's exposure to geopolitical and regulatory developments.

ANALYTICAL APPROACH - Consolidated

BWR has adopted a consolidated approach for the bank loan rating review of Beta Drugs Limited (BDL), in accordance with its applicable rating criteria. The consolidated approach considers BDL along with its wholly owned subsidiaries, Adley Formulations Private Limited (AFPL), Adley Lab Limited (ADL), and Beta Research Private Limited.

RATING SENSITIVITIES

Positive:

- Improvement in operating income by 15%, along with enhanced cash accruals and a stronger cash and cash equivalent position.
- Sustenance of healthy financial risk profile.

Negative :

- Decline of 20% or more in revenue, leading to deterioration in the company's profitability and financial risk profile. .
- Material weakening in the company's financial risk profile and liquidity position.
- Sustained deterioration in operating margin dropping below 10% and gearing exceeding 2x.

LIQUIDITY INDICATORS - Adequate

Adequate liquidity characterized by a sufficient cushion in accruals vis-a-vis repayment obligations and a moderate cash and bank balance of Rs. 124.85 Crore. The company's bank limits have remained moderately utilized at around 16% over the past 12 months.

The company recorded net cash accruals of Rs. 58.64 Cr as against the CPLTD of Rs. 6.77 Cr in FY2026. The company has Rs. 124.85 Cr of Cash and Bank Balance and Rs. 234.87 Cr of Tangible Net Worth and Rs. 344.87 Analyzed Tangible Network in FY2026. The current ratio of the company stood at 3.10 times in FY2026, indicating that the company has enough short-term liquidity to meet its short-term obligations. ISCR and DSCR stood at 4.94 times and 3.58 times, respectively, in FY2026, reflecting adequate capacity to meet both interest and principal repayment obligations.

ABOUT THE ENTITY:

Beta Drugs Limited (BDL) was incorporated on September 21, 2005, and was converted into a public limited company in August 2017. The company is part of the Adley Group, founded by Mr. Vijay Kumar Batra, who took over the management of BDL in 2014 and transformed it into a dedicated oncology-focused pharmaceutical company.

The company is currently managed by the second generation of the promoter family, with Mr. Rahul Batra serving as Chairman & Managing Director and Mr. Varun Batra serving as Joint Managing Director.

BDL has its corporate office in Panchkula, Haryana, and manufacturing facilities in Baddi, Himachal Pradesh. The company is engaged in the development, manufacturing, and marketing of oncology (anti-cancer) formulations, including injectables, lyophilized injections, tablets, and capsules.

The group operates through its subsidiaries, namely Adley Lab Limited (focused on API manufacturing for backward integration), Adley Formulations Private Limited (focused on formulation manufacturing), Beta Research Private Limited, and its recently acquired majority-owned subsidiary, Nivian Life Sciences Private Limited (marking its expansion into IVF and women's health therapies).

Macro Economic Indicator	Sector	Industry	Basic Industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

ESG Profile: The company demonstrates an “Adequate” ESG profile based on its environmental, social, and governance practices.

Environmental: Focuses on resource efficiency, energy optimization, and waste minimization through automated manufacturing processes. Maintains compliance with applicable environmental regulations, with no material regulatory violations reported.

Social: Operates a patient drug support program to improve access to cancer treatment for economically weaker patients. Emphasizes employee health and safety through regular training and stringent safety protocols, particularly for handling hazardous materials. Undertakes community development initiatives through a Board-approved CSR policy, with a focus on healthcare and local welfare.

Governance: Strengthened governance framework following its migration to the NSE Main Board. Maintains a balanced Board with independent directors overseeing key committees, including the Audit and Nomination & Remuneration Committees. Adheres to robust corporate governance practices, including SEBI PIT compliance, transparent disclosures, and an unpledged promoter shareholding.

KEY FINANCIAL INDICATORS - Standalone Financials

Key Parameters	Units	FY 23 - 24 (Audited - Annual)	FY 24 - 25 (Audited - Annual)	FY 25 - 26 (Audited - Annual)
Operating Revenue	Rs. Crs.	197.62	220.20	225.43
EBITDA	Rs. Crs.	33.53	31.42	28.54
PAT	Rs. Crs.	21.94	15.43	14.33
Tangible Net Worth	Rs. Crs.	113.63	123.44	143.01
Tangible Net Worth (Analyzed)	Rs. Crs.	113.63	240.44	253.01
Total Debt / Tangible Net Worth	Times	0.05	1.03	0.91
Current Ratio	Times	2.38	4.16	4.02

KEY FINANCIAL INDICATORS - Consolidated Financials

Key Parameters	Units	FY 23 - 24 (Audited - Annual)	FY 24 - 25 (Audited - Annual)	FY 25 - 26 (Audited - Annual)
Operating Revenue	Rs. Crs.	295.71	362.36	384.83
EBITDA	Rs. Crs.	59.92	74.61	75.68
PAT	Rs. Crs.	36.44	42.42	41.48
Tangible Net Worth	Rs. Crs.	151.73	188.52	234.87
Tangible Net Worth (Analyzed)	Rs. Crs.	151.73	305.52	344.87
Total Debt / Tangible Net Worth	Times	0.10	0.73	0.63
Current Ratio	Times	2.10	3.22	3.10

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:

Not Applicable

ANY OTHER INFORMATION:

NONE

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating (2026)			2025		2024		2023		
	Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	0.00	Withdrawn	10Apr2025	BWR B/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgrad ed)	11Jan 2024	BWR B+Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgrad ed)	NA	NA	
Fund Based	LT	31.89	BWR A-/Stable/ Assignment	-	-	-	-	-	-	-
Fund Based	ST	6.00	BWR/A2 Assignment	-	-	-	-	-	-	-
Non Fund Based	ST	5.00	BWR/A2 Assignment							
Fund Based (Sublimit)	ST	(36.00)	BWR/A2 Assignment	-	-	-	-	-	-	-
Non Fund Based (Sublimit)	ST	(25.00)	BWR/A2 Assignment	-	-	-	-	-	-	-
Grant Total		42.89	Rupees Forty-Two Crore and Eighty-Nine Lakh Only.							

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Short Term Debt](#)
- [BWR Withdrawal Policy](#)
- [Consolidation of Companies](#)
- [Manufacturing Company](#)

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Beta Drugs Ltd.

ANNEXURE I

Details of Bank Loan Facilities rated by BWR

Name of the Bank	Facilities	Tenure	Amount (In Rs. Crs.)	Complexity of the Instrument
SIDBI	Term Loan - Outstanding	Long-Term	0.98	Simple##
	Term Loan - Outstanding	Long-Term	2.36	Simple##
	Term Loan - Outstanding	Long-Term	1.17	Simple##
	WCTL - Outstanding	Long-Term	0.33	Simple##
	FCTL - Outstanding	Long-Term	1.48	Simple##
HDFC Bank	Cash Credit - Sanctioned	Long-Term	15.00	Simple##
	IFG-Term Loan 1 - Outstanding	Long-Term	0.29	Simple##
	IFG-Term Loan 2 - Outstanding	Long-Term	0.93	Simple##
	Pre-Shipment Credit (Sublimit of CC) - Sanctioned	Short-Term	(10.00)	Simple##
	Post-Shipment Credit (Sublimit of CC) - Sanctioned	Short-Term	(10.00)	Simple##
	Purchase Bill Discounting (Sub Limit of CC Limit) - Sanctioned	Short-Term	(6.00)	Simple##
	PSR - Sanctioned	Short-Term	1.00	Simple##
	Financial Bank Guarantee (Sub Limit of CC Limit) - Sanctioned	Short-Term	(5.00)	Simple##

	Letter of Credit-Non-Capex (Sub Limit of CC Limit) - Sanctioned	Short-Term	(5.00)	Simple##
	BG Material (Sub Limit of CC Limit) - Sanctioned	Short-Term	(5.00)	Simple##
	Pre-Shipment Credit - Sanctioned	Short-Term	5.00	Simple##
	Post-Shipment Credit (Sublimit of Pre-Shipment Credit) - Sanctioned	Short-Term	(5.00)	Simple##
	Performance Bank Guarantee - Sanctioned	Short-Term	5.00	Simple##
	Letter of Credit- Non-Capex (Sub Limit of PBG Limit) - Sanctioned	Short-Term	(5.00)	Simple##
	Financial Bank Guarantee (Sub Limit of PBG Limit) - Sanctioned	Short-Term	(5.00)	Simple##
	Purchase Bill Discounting (Sub Limit of PBG Limit) - Sanctioned	Short-Term	(5.00)	Simple##
ICICI Bank	Term Loan - LAP - Outstanding	Long-Term	6.74	Simple##
UCO Bank	Term Loan - Outstanding	Long-Term	2.61	Simple##
Total	(Rupees Forty-Two Crore and Eighty-Nine Lakh Only)		42.89	

##For more information visit: www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS

NIL

ANNEXURE III
List of entities consolidated

NIL

Name of Entity	% Ownership	Extent of Consolidation	Rationale for Consolidation
Adley Formulations Private Limited (AFPL)	99.99%	Full Consolidation	Wholly-owned subsidiary
Adley Lab Limited (ALL)	99.99%	Full Consolidation	Wholly-owned subsidiary
Beta Research Private Limited	99.99%	Full Consolidation	Wholly-owned subsidiary
Beta Drugs Limited	-	Full Consolidation	Holding Company

List of Instruments and Regulators	
Instrument / Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) 1	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) 1	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) 1	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs 2	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme 3	-
Issuer Ratings 4	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) 1	Investor-side Regulator such as IRDAI, PFRDA 5
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries and Companies 6	NA

1. Includes securitisation transactions involving assignee payout, acquirer's payout.
2. Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
3. 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 may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), BWR shall separately capture the rated quantum details along with names of respective regulators.
4. There is no instrument being rated and hence, Regulator of the Instrument is not applicable.
5. These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
6. Permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available

For any grievances relating to rating of instruments regulated by other FSR (Financial Sector Regulators), please contact grievance@brickworkratings.com.

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Brickwork offers credit ratings of Bank Loan, Non-convertible/convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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