

Rating Rationale 19 Oct 2026

Deft Organics Ltd.

SUMMARY OF RATING ACTION

Facilities/Instrument	Tenure	Amount (₹ crore)		Rating Assigned & Outlook		Regulator
		Previous	Present	Previous (01-Oct-2026)	Present	
Fund Based						
Working Capital Demand Loan - Sanctioned	Long Term	2.00	2.00	BWR BB + /Stable ISSUER NOT COOPERATING* /Reaffirmation	BWR BB+/Stable removal from ISSUER NOT COOPERATING* category/Reaffirmed	RBI
GECL - Outstanding		0.86	0.17	BWR BB + /Stable ISSUER NOT COOPERATING* /Reaffirmation	BWR BB+/Stable removal from ISSUER NOT COOPERATING* category/Reaffirmed	RBI
GECL - Sanctioned		1.10	0.00	BWR BB + /Stable ISSUER NOT COOPERATING* /Reaffirmation	Withdrawal	RBI
Sub-Limit (Working Capital Term Loan) -Sanctioned		(3.00)	(0.00)			
Sub-Limit (Working Capital Term Loan) -Sanctioned		(6.50)	(0.00)			
Cash Credit - Sanctioned	Long Term	7.00	7.00	BWR BB + /Stable ISSUER NOT COOPERATING* /Reaffirmation	BWR BB+/Stable removal from ISSUER NOT COOPERATING* category/Reaffirmed	RBI
Sub-Limit (Letter Of Credit) -Sanctioned		(6.00)	(1.00)			
Working Capital Term Loan - Outstanding		0.46	0.00	BWR BB + /Stable ISSUER NOT COOPERATING* /Reaffirmation	Withdrawal	RBI
Dropline OD - Sanctioned		3.89	9.66	BWR BB + /Stable ISSUER NOT COOPERATING* /Reaffirmation	BWR BB+/Stable removal from ISSUER NOT COOPERATING* category/Reaffirmed	RBI

Term Loan - Sanctioned	Long Term	30.00	0.00	BWR BB + /Stable ISSUER NOT COOPERATING* /Reaffirmation	Withdrawal	RBI
Cash Credit - Sanctioned		0.00	4.95	-	BWR BB+/Stable Assignment	RBI
GECL Term Loan - Sanctioned		0.00	1.77	-	BWR BB+/Stable Assignment	RBI
ECLGS - Sanctioned		0.00	0.99	-	BWR BB+/Stable Assignment	RBI
Term Loan - Outstanding		0.00	4.32	-	BWR BB+/Stable Assignment	RBI

Non Fund Based

Ad Hoc Facilities FB (CC/TL/OD)- Sanctioned	Short Term	0.68	0.00	BWR A4 + ISSUER NOT COOPERATING* /Reaffirmation	Withdrawal	RBI
Letter of Credit - Sanctioned		2.50	1.50	BWR A4 + ISSUER NOT COOPERATING* /Reaffirmation	BWR A4+/removal from ISSUER NOT COOPERATING* category/Reaffirmed	RBI
Letter of Credit - Sanctioned		3.00	0.00	BWR A4 + ISSUER NOT COOPERATING* /Reaffirmation	Withdrawal	RBI
Letter of Credit - Sanctioned		6.50	0.00	BWR A4 + ISSUER NOT COOPERATING* /Reaffirmation	Withdrawal	RBI
Grand Total		57.99	32.36	(Rupees Thirty Two Crores and Thirty Six Lakhs Only)		

Note:

1. Please refer to BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated.

RATING ACTION/OUTLOOK :

Brickwork Ratings has reaffirmed/assigned the long-term rating at “BWR BB+/Stable” and also reaffirmed the short-term rating at "BWR A4+" for the bank loan facilities of Rs. 32.36 Crores of Deft Organics Ltd and withdrawn previously rated facilities based on the closure of above said facilities on receipt of No Due Certificate from respective banks.

The ratings assigned for the bank facilities of Deft Organics Ltd. continue to drive strength from experienced management, achievable profitability, and moderate financial risk profile of the company and BWR has relied upon the Audited FY 24, FY 25 and Provisionals of FY 26.

The rating outlook has been assigned as "Stable" as BWR believes that Deft Organics Ltd. business risk profile will be maintained over the medium term.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term.

The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement.

The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

KEY COVENANTS OF THE INSTRUMENT/FACILITY

The terms of sanction include standard covenants normally stipulated for such facilities.

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Approach to financial ratios • Manufacturing Companies • Short Term Debt • BWR Withdrawal Policy
Parent/Group/Government Support	NA
Analytical Approach (Consolidation/Standalone)	For arriving at its ratings, BWR has considered the standalone performance of Deft Organics Ltd. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths:

- **Management Experience :**

The company was incorporated in the year 1997. Mr. Sunil Gandhi, Ms. Reeta Gandhi, and Mr. Dhruv Gandhi are the directors of the company, having more than a two decades of experience.

The promoter's extensive experience in the manufacturing sector, particularly in the production of specialty bulk drugs, APIs, and finished formulations will continue to support business risk profile. The promoters will also extend need-based funding support to the company.

- **Moderate Financial Risk Profile and Healthy Margins :**

The company has achieved a Sales of Rs. 33.74 Crores in FY 26 Provisionals. The TNW of the company stood at Rs. 35.43 Crores in FY26 strengthening the capital base and Total Debt/TNW, ISCR and DSCR of the company stood at 0.85 times, 2.66 times and 1.27 times in FY 26 Provisionals. Brickwork Ratings expects the revenue to sustain at similar levels in the near-to-medium term because of stable demand in the pharmaceutical industry.

Credit Risks :

- **Regulatory and Quality Hurdles : :**

The Indian pharmaceutical industry operates under stringent regulatory and quality norms, including GMP guidelines, CDSCO regulations, and international standards such as US FDA and EMA. Compliance with these regulations requires continuous investment in quality systems, documentation, skilled manpower, and plant upgrades, leading to higher operating costs. Any non-compliance may result in regulatory observations, warning letters, product recalls, or temporary shutdowns, which can disrupt operations and impact revenues.

- **Price Pressure and Government Policies : :**

The Indian pharmaceutical industry faces significant price pressures due to intense competition and government regulations. Policies by the National Pharmaceutical Pricing Authority (NPPA) cap prices of essential drugs, which can limit revenues and compress profit margins. Frequent changes in healthcare schemes and reimbursement policies create uncertainty in demand, making business planning challenging. Companies must carefully balance regulatory compliance with profitability, and sustained government intervention may impact investment, R&D, and expansion plans, especially for smaller players.

- **Critical Supply Chain Vulnerabilities : :**

Many companies rely heavily on imported raw materials, especially active pharmaceutical ingredients (APIs) from countries like China, which creates risks during geopolitical tensions or global crises like pandemics. Poor infrastructure in rural areas makes it difficult to distribute medicines effectively, leading to shortages in some regions. Additionally, vaccines and biologic drugs require strict temperature-controlled storage, known as a cold chain, which can be hard to maintain in certain parts of the country. These factors together make supply chain management a significant challenge for the industry.

RATING SENSITIVITY FACTORS :

Going forward, the ability of the firm to increase its scale of operations, improve profitability, efficiently manage its working capital and strengthen its overall credit profile would be the key rating sensitivities.

Positive:

- An increase in Total Operating Income beyond Rs. 50 Cr on a sustained basis while maintaining operating margins above 20%
- Continued growth in PAT beyond Rs.2 Cr, along with healthy accruals.
- The current Ratio remains above 1.33x, by a stable cash balance

Negative:

- Decline in revenue below Rs. 45 Cr or an operating margin falling below 15%
- Increase in Total Debt/TNW or weakening of TOL/TNW.

LIQUIDITY POSITION - Adequate

Adequate liquidity characterized by sufficient cushion in accruals vis-a-vis repayment obligations and moderate cash balance of Rs. 1.33 Crores. No capex envisaged in near future. Its bank limits are utilized to the extent of 73.27 % and has sought enhancement in bank lines, supported by the above unity current ratio.

The company has a Net cash accrual of Rs. 5.33 Crs in FY-25. The cash and Bank balance of the company is at Rs. 1.33 Crores in FY-25. The Net Cash Accruals are expected to be at Rs. 4.75 Crores in FY26, where the CPLTD will be around Rs.3.86 Crores. ISCR remained comfortable at 4.08 times in FY25 and DSCR at 1.74 times in FY25 indicating an adequate debt-servicing capacity to cover the company's debt obligations. The company's EBITDA stood at Rs. 8.07 Crores in FY25 (audited financials) against interest and finance charges of Rs. 1.98 Crores. The EBITDA level remained more than adequate to service the interest obligations year on year. The tangible net worth of the company stood at Rs. 32.87 Crores in FY 25. Hence, the liquidity position of the company is adequate.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

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

Environmental: Environmental risks are driven by high water usage, waste generation, and reliance on energy-intensive processes, making disclosures on water consumption, waste-management practices, renewable energy share and emissions levels particularly important.

Social: Social factors hinge on adherence to labor laws, accident prevention frameworks, and human-capital development, with metrics such as workforce mix, safety performance, and training initiatives offering insights into operational resilience.

Governance: Governance assessment focuses on board independence, committee effectiveness, and robustness of compliance systems, supported by readily available disclosures on board structure, audit mechanisms, and risk-management practices.

COMPANY/FIRM PROFILE

Industry Classification			
Macroeconomic Indicator	Sector	Industry	Basic Industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

Deft Organics Ltd. was incorporated in the year 04 Jun 1997, located in District Bhind, Gwalior (Central India) fully equipped and compliant with the highest industry standards of safety and governance. The name of the company has been changed from HELIOS LIFESCIENCES LIMITED to DEFT ORGANICS LIMITED with effect from the date 09 July 2021. Mr. Sunil Gandhi, Ms. Reeta Gandhi, and Mr. Dhruv Gandhi are the directors of the company. The company is a manufacturer of organic intermediates, Active Pharmaceutical Ingredients (APIs) and finished dosages (Pre-Filled Syringes). The Company offers a wide range of bulk intermediates, APIs, and Parental Preparations especially Pre-Filled Syringes to customers across the globe. Deft offers one of the largest portfolios for APIs and finished dosages, best-in-class products for pharmaceutical development and manufacturing, and a fully integrated service organization to support even Contract Manufacturing also. Harnessing deep expertise and research in Chemistry, Deft Organics serve a variety of industry segments with Intermediates for API, Agrochemicals, Nutraceuticals and more.

KEY FINANCIAL INDICATORS

Standalone Financial Indicators (in ₹ crore)	FY 23-24 (A)	FY 24-25 (A)	FY 25-26 (P)
Operating Revenue	54.97	34.99	33.74
EBITDA	7.97	8.07	7.41
PAT	2.02	1.93	1.89
Tangible Net worth	29.26	32.87	35.43
Total Debt/ Tangible Net worth	1.01	0.97	0.85
Current Ratio	1.48	1.35	1.24

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results P: Provisional
 *PBILDT: Profit before interest, lease rentals, depreciation and tax. All ratios as per BWR's calculations;
 Amount in ₹ crore.

RATING HISTORY FOR THE PREVIOUS THREE YEARS

Facility/ Instrum ent	Current Rating (2026)			Rating History			
	Tenor	Amou nt (₹. Crore)	Rating	2026		2025	
				Date	Rating	Date	Rating
Fund Based	LT	18.83	BWR BB+/Stable removal from ISSUER NOT COOPERATING* category/Reaffirmed	01-Oct-2026	BWR BB + /Stable ISSUER NOT COOPERATING * /Reaffirmation	04-July-2025	BWR BB+ /Stable Assignment
Fund Based - Sublimit	LT	(1.00)	BWR BB+/Stable removal from ISSUER NOT COOPERATING* category/Reaffirmed	04-July-2025	BWR BB+/Stable ISSUER NOT COOPERATING * /Reaffirmation	04-July-2025	BWR BB+/Stable Assignment
Fund Based	LT	0.00	Withdrawal	NA	NA	NA	NA
Fund Based	LT	12.03	BWR BB+/Stable Assignment	NA	NA	NA	NA
Non Fund Based	ST	0.00	BWR A4+/removal from ISSUER NOT COOPERATING* category/Reaffirmed	04-July-2025	BWR A4 +/ ISSUER NOT COOPERATING * /Reaffirmation	04-July-2025	BWR A4 +/ Assignment
Non Fund Based	ST	0.00	Withdrawal	NA	NA	NA	NA
Non Fund Based - Sub limit	ST	1.50	BWR A4+/removal from ISSUER NOT COOPERATING* category/Reaffirmed	04-July-2025	BWR A4 +/ ISSUER NOT COOPERATING * /Reaffirmation	04-July-2025	BWR A4 +/ Assignment

Grand Total	32.36	(Rupees Thirty Two Crores and Thirty Six Lakhs Only)
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COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Fund Based	Simple
Non-Fund Based	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 BWR's website [Complexity Levels](#)

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): NA

ANY OTHER INFORMATION: Nil

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Annexure I: Details of Bank Loan Facilities

(Amount in Rupees Crore)

SL.No.	Name of the Bank	Facilities	Tenor	Amount (Rs. Crore)	Regulator
1	HDFC Bank	Working Capital Demand Loan - Sanctioned	Long Term	2.00	RBI
2	HDFC Bank	Guaranteed Emergency Credit Line - Outstanding	Long Term	0.17	RBI
3	HDFC Bank	GECL Term Loan - Sanctioned	Long Term	1.77	RBI
4	HDFC Bank	Cash Credit - Sanctioned Sub-Limit (Letter Of Credit) -Sanctioned	Long Term	7.00 (1.00)	RBI
5	HDFC Bank	Term Loan - Outstanding	Long Term	4.32	RBI
6	HDFC Bank	Letter of Credit - Sanctioned	Short Term	1.50	RBI
7	ICICI Bank	Dropline OD - Sanctioned	Long Term	9.66	RBI
8	State Bank of India	Emergency Credit Line Guarantee Scheme - Sanctioned	Long Term	0.99	RBI
9	State Bank of India	Cash Credit - Sanctioned	Long Term	4.95	RBI
Total				32.36	

ANNEXURE II: Details of Instruments/Facilities

Name of the Instrument / Facility	Long Term/Short Term	ISIN	Date of Issuance (DD-MMY-YYY)	Coupon Rate (%)	Maturity Date (DDMM-YYYY)	Size of the Issue (₹ cr)	Rating Assigned and Rating Outlook	Regulator
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

ANNEXURE III: List of Entities Consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
Nil	Nil	Nil	Nil

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A.	Rating activities	
Sr. No.	Instrument / activity Name	Regulator of the instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (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)* \$	RBI
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 and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, 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	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts \$	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	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.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or only be determined upon issuance. In PRs subsequent to issuance(s), Brick Work Ratings India Private Limited separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

\$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Note: 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.

B.	Other Activities	Regulator of the Instruments
1	Monitoring Agencies	SEBI
2	Research activities incidental to rating such as research for Economy, Industries and Companies	NA

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 Services Regulators), please contact grievance@brickworkratings.com

Disclosure of Conflict of Interest

BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

About Brickwork Ratings

Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. Canara Bank is an institutional investor in Brickwork.

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 rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

Disclaimer

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