



Press Release
THEMIS MEDICARE LIMITED
August 21, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	45.35	ACUITE BBB Negative Reaffirmed Stable to Negative	-
Bank Loan Ratings	83.75	-	ACUITE A3+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	129.10	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB**' (read as **ACUITE triple Ba**) and its short-term rating of '**ACUITE A3+**' (read as **ACUITE A three plus**) on the Rs. 129.10 Cr bank facilities of Themis Medicare Limited (TML). The outlook is revised from '**Stable**' to '**Negative**.'

Rationale for rating and revision of outlook

The outlook revision is on account the deterioration in the operational performance of TML from past two quarters (Q1FY2026 & Q4FY2025) with operating & net losses. Further, while the revenues registered a stable growth over the years, EBITDA margin has been declining over the past three years. The operations of the company also continue to remain working capital intensive. However, the rating reaffirmation factors in the healthy financial risk profile and established track record of operations of TML. Going forward, improvement in the operating revenue and profitability and restriction on elongation in the working capital cycle will be key rating monitorable.

About the Company

Themis Medicare Limited (TML) was founded in the year 1969 by Dr. Shantilal D. Patel as a joint venture with Gedeon Richter Plc. Hungary. Based out of Gujarat, the company is engaged in manufacturing, marketing and distribution of active pharmaceutical ingredients (APIs), bulk drugs and formulations. The company also has its own research & development facility. Further, the company has also ventured into the hospital segment, where critical drugs used in hospitals are directly supplied to them. The operations are managed by the MD; Mr. Sachin Dinesh Patel.

About the Group

Themis Medicare Limited along with its subsidiaries, associates and JVs are referred together as the Themis group. The group was promoted by Dr. Shantilal D. Patel in 1969 and is engaged in manufacturing of APIs, bulk drugs and formulations. The group has its head office in Mumbai with its manufacturing units located in Hyderabad, Haridwar and Vapi.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has considered the consolidated financial and business risk profile of Themis Medicare Limited including its subsidiaries and associates as against standalone approach previously.

Key Rating Drivers

Strengths

Established track record of operations and extensive experience of management in the pharmaceutical industry

Incorporated in the year 1969, the company has an established operational track record of more than five decades in the pharma industry. The company has its manufacturing facilities at Haridwar, Hyderabad and Vapi. Along with manufacturing, the company also has a research & development facility (R&D) at Vapi which focuses on development of new chemicals and processes for both API & intermediates and fermentation technology whereas their Haridwar R&D facility concentrates on new drug delivery systems. It caters to both domestic as well as international markets with exports primarily to European and African countries. It was founded by Dr. Shantilal D. Patel as a joint venture with Gedeon Richter Plc. Hungary and is currently managed by Dr. Sachin Patel who holds a Doctorate in Biological Chemistry from Christ's College, University of Cambridge, UK and has a rich experience of two decades in the pharmaceutical industry and is supported by a qualified team of senior management in the organization.

Healthy financial risk profile

The financial risk profile of the company continues to remain healthy with low gearing, healthy network and comfortable debt protection indicators. The network improved to Rs. 402.05 Cr. on March 31, 2025 as against Rs. 377.11 Cr in FY2024, due to accretion to reserves. The gearing and TOL/TNW levels continue to remain below unity at 0.21 times (0.25 times in PY) and 0.46 times (0.50 times in PY) respectively on March 31, 2025. Further, while the long-term debt obligations increased in FY25 owing to capex plans and profitability declined, the coverage indicators deteriorated but remained comfortable with interest coverage ratio and debt service coverage ratio at 5.94 times (8.01 times in PY) and 1.57 times (2.67 times in PY) respectively in FY2025.

Weaknesses

Subdued operating performance

While the revenues registered a stable growth in FY25 at Rs. 405.51 Cr. in FY2025 as against Rs. 381.76 Cr. in FY2024, however, the operating margin declined to 12.10 percent in FY2025 from 13.93 percent in FY2024 (19.95 percent in FY2023). This was majorly on account of increase in the employee cost due to investment in building teams for the hospital segment. There was also increase in other expenses due to incremental travel and marketing costs. Furthermore, the company's performance has been significantly affected in the past two quarters with revenues reported at Rs. 97.58 Cr. in Q1FY2026 (Rs. 71.70 Cr. in Q4FY2025) as against Rs. 122.99 Cr. in Q1FY2025 and operating & net losses of Rs. 10.08 Cr. (Rs 5.78 Cr.) & Rs. 14.22 Cr. (Rs. 9.66 Cr.) respectively in Q1FY2026 (Q4FY2025). This is due to disruption of one of its high margins businesses owing to substandard imitation in the market. Additionally, there was delay in completion of some export orders, which were completed in Q2 FY2026.

The company now plans to focus on cost optimization, working capital management and focus on API and formulation business to improve its performance for the balance part of year which shall be a key rating sensitivity.

Working capital intensive operations

The operations of TML are working capital intensive as evident from the high gross current asset (GCA) levels of 274 days in FY2025. The GCA days are mainly driven by inventory levels and debtor levels which stood at 86 days and 162 days respectively in FY2025. The creditor levels stood at 142 days in FY2025. Further, the average bank limit utilisation stood moderate at ~80 percent for the last six months ended June 2025.

Highly competitive and fragmented industry

The pharmaceutical formulations industry has a large number of players which makes this industry highly fragmented and intensely competitive. TML being a moderate sized player, has limited bargaining power and susceptibility to pricing pressure is also higher compared to well-established and larger players. However, the company's presence of over five decades in the industry has enabled it to partially offset competitive pressures. Further, it undertakes regular research and development to improve its product offerings.

Rating Sensitivities

- Improvement in the operating revenue and profitability
- Restriction of elongation in the working capital cycle
- Deterioration in the financial risk profile leading to stretch in the liquidity position.

Liquidity Position

Adequate

The adequate liquidity position of TML is supported by generation of net cash accruals (NCA) of Rs. 39.76 Cr. against maturing repayment obligations of Rs. 21.66 Cr. in FY2025. Going forward the NCAs are expected to remain in the range of Rs. 27 – 31 Cr. for FY2026 and FY2027 against maturing repayments of Rs. 21 – 18 Cr. for the same period. The current ratio stood healthy at 1.92 times on March 31, 2025. The bank limit utilisation stood moderately high at 80 percent for the last six months ended June 2025. The company also had an unencumbered cash and bank balance of Rs. 12.84 Cr. on March 31, 2025.

Outlook: Negative

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	405.51	381.76
PAT	Rs. Cr.	29.83	43.52
PAT Margin	(%)	7.36	11.40
Total Debt/Tangible Net Worth	Times	0.21	0.25
PBDIT/Interest	Times	5.94	8.01

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any Other Information

FY2025 values are based on abridged financials.

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 May 2024	Letter of Credit	Short Term	20.00	ACUITE A3+ (Reaffirmed)
	Bills Discounting	Short Term	9.75	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	2.50	ACUITE A3+ (Reaffirmed)
	Bills Discounting	Short Term	15.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	25.00	ACUITE A3+ (Reaffirmed)
	Term Loan	Long Term	4.64	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.41	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	16.25	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	13.75	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	8.10	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	4.70	ACUITE BBB Stable (Reaffirmed)
20 Feb 2024	Letter of Credit	Short Term	20.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	25.00	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	2.50	ACUITE A3+ (Reaffirmed)
	Bills Discounting	Short Term	15.00	ACUITE A3+ (Reaffirmed)
	Bills Discounting	Short Term	9.75	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	8.10	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	4.64	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.41	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	4.70	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	16.25	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	13.75	ACUITE BBB Stable (Reaffirmed)
	Bills Discounting	Short Term	9.75	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	20.00	ACUITE A3+ (Reaffirmed)
	Letter of Credit	Short Term	25.00	ACUITE A3+ (Reaffirmed)

23 Jan 2024	Bank Guarantee/Letter of Guarantee	Short Term	2.50	ACUITE A3+ (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A3+ (Reaffirmed)
	Bills Discounting	Short Term	15.00	ACUITE A3+ (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	8.10	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	4.64	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	3.41	ACUITE BBB Stable (Reaffirmed)
	Cash Credit	Long Term	4.70	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	16.25	ACUITE BBB Stable (Reaffirmed)
	Term Loan	Long Term	13.75	ACUITE BBB Stable (Reaffirmed)
26 Oct 2022	Bank Guarantee/Letter of Guarantee	Short Term	2.50	ACUITE A3+ (Upgraded from ACUITE A3)
	Bills Discounting	Short Term	15.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bills Discounting	Short Term	9.75	ACUITE A3+ (Upgraded from ACUITE A3)
	Bank Guarantee/Letter of Guarantee	Short Term	1.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	15.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	5.00	ACUITE A3+ (Assigned)
	Letter of Credit	Short Term	20.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	5.00	ACUITE A3+ (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	8.10	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	4.64	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	3.41	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Cash Credit	Long Term	4.70	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	16.25	ACUITE BBB Stable (Assigned)
	Term Loan	Long Term	13.75	ACUITE BBB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.50	Simple	ACUITE A3+ Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A3+ Reaffirmed
Union Bank of India	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	17.00	Simple	ACUITE A3+ Reaffirmed
Bank of Baroda	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.75	Simple	ACUITE A3+ Reaffirmed
THE ZOROASTRIAN CO-OPERATIVE BANK LIMITED	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.70	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative
Bank of Baroda	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.10	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative
Bank of Baroda	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE A3+ Reaffirmed
Union Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	32.50	Simple	ACUITE A3+ Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.45	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative
Union Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2030	11.25	Simple	ACUITE BBB Negative Reaffirmed Stable to Negative
Bank of Baroda	Not avl. / Not	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Oct 2030	10.85	Simple	ACUITE BBB Negative Reaffirmed

	appl.							Stable to Negative
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***Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)**

Sr. No	Company Name
1	Themis Medicare Limited
2	Themis Chemicals Private Limited
3	Artemis Biotech Limited
4	Dr. Themis Private Limited

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About Acuité Ratings & Research

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