Ref: BHL/ STEX 27/ 2026-27
Date: August 06, 2026

BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai – 400 001 **Scrip Code: 539872**	**National Stock Exchange of India Limited** 5th Floor, Exchange Plaza, Bandra Kurla Complex, Bandra (East) Mumbai-400051 **Symbol: BAJAJHCARE**

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Credit Rating

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that, India Ratings and Research (Ind-Ra) has upgraded the credit ratings assigned to the bank loan facilities of Bajaj Healthcare Limited. The Company's long-term bank loan facilities have been upgraded to 'IND A' from 'IND A-' with a Stable Outlook, and the short-term bank loan facilities have been upgraded to 'IND A1' from 'IND A2+'.

The details of the credit ratings assigned to the Company's bank facilities are as under:

Instrument Type	Size of Issue (million)	Rating/Outlook	Rating Action
Bank Loan Facilities	INR2,820 (reduced from INR 3,326.20)	IND A/ Stable/IND A1	Upgraded

The Press Release dated August 06, 2026 issued by the India Ratings and Research (Ind-Ra) is enclosed herewith.

Kindly take the above information on record.

Thanking you

Yours faithfully,

For and on behalf of Bajaj Healthcare Limited

MONICA TANWAR
Digitally signed by MONICA TANWAR
Date: 2026.08.06 18:49:11 +05'30'

Monica Tanwar
Company Secretary & Compliance Officer

Encl: as above

India Ratings Upgrades Bajaj Healthcare’s Bank Loan Facilities to ‘IND A’; Outlook Stable

Aug 06, 2026 | Bajaj Healthcare Limited | Pharmaceuticals

India Ratings and Research (Ind-Ra) has upgraded Bajaj Healthcare Limited’s (BHL) bank loan facilities’ long-term rating to ‘IND A’ from ‘IND A-’, with a Stable Outlook and short-term rating to ‘IND A1’ from ‘IND A2+’. The detailed rating action is as follows:

Details of Instruments

Instrument Type	Regulator of Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (INR million)	Rating Assigned with Outlook/Watch	Rating Action
Bank loan facilities	RBI	-	-	-	2,820 (reduced from 3,326.20)	IND A/Stable/IND A1	Upgraded

Analytical Approach

Ind-Ra continues to take a standalone view of BHL to arrive at the ratings.

Detailed Rationale of the Rating Action

The upgrade reflects BHL’s strengthened business and operational profile, marked by healthy order visibility led by its longstanding relationships with large pharmaceutical customers. This enabled the company to sustain gross margins and healthy return on capital employed (ROCE) (during FY24-FY26), despite industry headwinds. The company’s profile further benefits from its strategic shift towards regulated markets and the increasing contribution from contract development and manufacturing organisation (CDMO) engagements (10% of FY26 revenue). This growth is backed by long-term customer relationships, continued investments in research and development (R&D), and a strong product pipeline.

Furthermore, BHL’s planned investments in a new R&D centre, the establishment of a peptide active pharmaceutical ingredients (API) manufacturing facility, and an expanding portfolio of regulatory filings are likely to enhance its medium-term revenue visibility, and support sustained margins expansion. Ind-Ra notes that these expansion plans have been aided by the promoter funds via equity shares and warrants, providing the company an adequate headroom to pursue organic growth initiatives.

List of Key Rating Drivers

Strengths

- Healthy and improving business profile
- Capex investment for future growth, aided by promoter funding
- Improved financial performance in FY26; likely to sustain over near term
- Improvement in credit metrics during FY26; likely to sustain over near-to-medium term

Weaknesses

- Regulatory risks
- Elongated working capital cycle
- Currency and geopolitical risks

Detailed Description of Key Rating Drivers

Healthy and Improving Business Profile: BHL is a vertically integrated pharmaceutical player with a presence across APIs, formulations, CDMO and alkaloids segments. The company exports its products to regulated and semi-regulated markets. Domestic API sales accounted for about 52% of the revenue in FY26 (FY25: 60%), while export APIs for 31% (23%) and formulations for 17% (17%). Ind-Ra notes that BHL has healthy revenue visibility, supported by its order book, which accounts for a significant portion of the FY27 revenue. The company's business model is differentiated from peers due to its long-term contracts accounting for a significant share of its API supplies. BHL's revenue is well diversified, with the top 10 products contributing about 57% to the FY26 revenue and its top 10 customers for around 35%. The company has established relationships with large global and domestic pharmaceutical companies. It has an exclusive agreement for opium processing and poppy processing with the government of India. Moreover, the company's credibility on its R&D and execution capabilities is supported by the launch of innovative molecules in FY27 in the Indian market, which is backed by supply arrangements with large pharmaceutical customers.

Capex Investment for Future Growth, Aided by Promoter Funding: India remains to be BHL's largest market contributing 69% to its total sales in FY26 (FY25: 77%) while the US, Europe and the rest of the world market accounted for the balance. BHL is strengthening its future growth prospects through the establishment of a new 10,000 square feet R&D centre, likely to become operational by August 2026, and a dedicated peptide API manufacturing facility, with a capacity of around 250 kg per annum, targeted for commissioning in 4QFY27. Ind-Ra expects these investments to enhance the company's product development capabilities, support the commercialisation of high-value specialty APIs, increase regulatory filings, and expand its presence in regulated markets. The total planned investment is of INR500 million, of which INR350 million was already raised through a preferential allotment of equity shares in FY26.

Improved Financial Performance in FY26; Likely to Sustain over Near Term: BHL's revenue increased to INR6,110 million in FY26 (FY25: INR5,426 million), supported by new product approvals and improving demand for the existing portfolio. The company filed 110 drug master files in FY26. Formulations accounted for 17% of FY26 revenue (FY25: 17%; FY24: 11%), followed by the API business (81%; 75%; 89%) and the opium business (2%; 8%).

Gross margins improved to 48% in FY26 (FY25: 47%; FY24: 46%) driven by a better product mix. EBITDA margins also improved to 17.2% in FY26 (FY25: 15.2%; FY24: 16.1%), due to reduction in other expenses. Ind-Ra expects the EBITDA margins to be 18%-19% over the next three-to-four years. As per the management, the company will continue to focus on strategically expanding its product portfolio, consolidating its presence in premium segments and implementing cost optimisation measures. This is likely to support the margins over the medium term.

Improvement in Credit Metrics during FY26; Likely to Sustain over Near-to-Medium Term: In FY26, BHL's gross interest coverage (operating EBITDA/gross interest expense) improved to 4.7x (FY25: 3.0x, FY24: 2.6x), while net leverage (total net debt /operating EBITDA) improved to 2.1x (2.9x,4.7x) due to improvements in EBITDA and a reduction in the total debt. Ind-Ra expects the net leverage to remain below 2.0x over the short-to-medium term, supported by an improvement in EBITDA and the realisation of funds from share warrants issuance completed in FY26.

Regulatory Risks: BHL operates three API manufacturing plants, one formulations facility and one intermediates facility. The company exports to over 60 markets, including Europe, the US, Australia, Africa, the Middle East, South America, Australia, New Zealand, Sri Lanka and Southeast Asia. Export sales contributed around 31% to the total revenue in FY26. Ind-Ra notes that any regulatory non-compliance at the manufacturing facilities could delay new product approvals from regulatory agencies and adversely impact the revenue. However, Ind-Ra notes BHL's strong presence in the domestic market and diversified presence across geographies is likely to mitigate the negative impact from the adverse actions of a single regulator.

Elongated Working Capital Cycle: Ind-Ra notes BHL has an elongated working capital cycle, owing to its supplies to government customers and vertically integrated nature of operations. The working capital cycle (on sales basis) improved to 200 days in FY26 (FY25: 211 days) due to an improvement in the receivable days to 140 (169). The company's ability to control the working capital cycle is a key rating monitorable.

Currency and Geopolitical Risks: BHL derives over 30% of its revenue in foreign currencies, while a significant proportion of its costs is incurred in Indian rupees. The company has presence across developed and emerging markets, including Africa, where the currencies have been volatile. Hence, BHL is exposed to adverse movements in the foreign exchange rate. Furthermore, in view of the prevailing geopolitical environment, near-term growth in the export segment could be impacted. Ind-Ra believes that any prolonged geopolitical disruption or escalations in conflicts could disrupt supply chains and adversely affect the company's credit metrics, which remains a key monitorable.

Liquidity

Adequate: The unencumbered cash and cash equivalents stood at INR372.4 million at FY26 (FY25: INR26 million; FY24: INR22 million). The average utilisation of the fund-based limits was 80% for the 12 months ended March 2026. Cash flow from operations improved to INR580.8 million in FY26 (FY25: 216.2 million; FY24: INR923 million), primarily due to its improved EBITDA. Free cash flow also improved to INR115.9 million in FY26 (FY25: INR73 million), driven by healthy cash flow from operations and limited capex of INR433 million (INR115 million). The company has scheduled debt repayments of INR256 million in FY26 and INR217 million in FY27. Ind-Ra expects the liquidity to remain adequate despite capex of nearly INR500 million in FY27, which is likely to be funded through internal accruals and from equity proceeds.

Rating Sensitivities

Positive: Significant and sustained growth in the scale of operations and operating profitability, substantial improvement in the working capital cycle, and healthy cash flow from operations, resulting in net leverage reducing below 2.0x, on a sustained basis, could lead to a negative rating action.

Negative: Any decline in the scale of operations and/or deterioration in the working capital cycle and/or unexpected debt-funded capex/acquisition, leading to weakening of liquidity and net leverage sustaining above 2.5x, could lead to a negative rating action.

Any Other Information

Not applicable

About the Company

Incorporated in 1993, BHL manufactures APIs and branded and generic formulations. The company has three API manufacturing facilities in Tarapur, Maharashtra, and Vadodara in Gujarat; two manufacturing plants of finished dosage forms—a plant in Manjusar, Gujarat, and a plant in Sinnar, Nashik (awaiting NCLT approval), and a manufacturing plant for intermediates in Tarapur, Maharashtra.

Key Financial Indicators

Particulars (INR million)	1QFY27	FY26	FY25
Revenue	1,656	6,110	5,426
EBITDA	288	1,048	824
EBITDA margins (%)	17.4	17.2	15.2
Gross interest coverage (x)	4.7	4.7	3.0
Net leverage (x)	-	2.9	2.1
Source: BHL; Ind-Ra			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook	
	Rating Type	Rated Limits (INR million)	Rating	15 May 2025	16 February 2024
Issuer rating	Long-term	-	-	WD	IND A-/Negative
Bank loan facilities	Long-term/ Short-term	2,820	IND A/ Stable/IND A1	IND A-/Stable/IND A2+	ND A-/Negative /IND A2+

Bank wise Facilities Details

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

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APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

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