

# Balaxi Pharmaceuticals Limited

April 02, 2026

To,  
Listing Department,  
National Stock Exchange of India Limited  
Exchange Plaza, Plot No C-1, Block G, Bandra Kurla Complex,  
Bandra (E), Mumbai – 400051

**NSE Symbol: BALAXI**

Dear Sir/Madam,

**Subject: Intimation of Credit Rating Downgrade and Revision in Outlook**

Pursuant to Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that CRISIL Ratings Limited has downgraded its rating on the long-term bank facilities of the Company to 'Crisil BBB' while revising the outlook from 'Negative' to 'Stable'.

The details of the Credit Rating downgrade and revision in Outlook is given below:

Name of the Company	Credit Rating Agency	Type of Credit Rating	Prior Rating	Revised Rating
Balaxi Pharmaceuticals Limited	CRISIL Ratings Limited	Long Term	CRISIL BBB+/NEGATIVE	CRISIL BBB/Stable (Outlook revised from 'Negative'; Rating Downgraded)

A copy of press release issued by CRISIL Ratings Limited dated 01<sup>st</sup> April, 2026 covering the rationale for the rating is enclosed.

The aforesaid information is also being hosted on the Company's website at [www.balaxipharma.in](http://www.balaxipharma.in).

This is for your information and records.

Thanking You.

*For Balaxi Pharmaceuticals Limited*

**Aman Purohit**  
**(Company Secretary & Compliance Officer)**  
**ICSI Membership No.: A59345**

Encl: A/a

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## Rating Rationale

April 01, 2026 | Mumbai

### Balaxi Pharmaceuticals Limited

*Rating downgraded to 'Crisil BBB/Stable'*

#### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.35 Crore</b>
<b>Long Term Rating</b>	<b>Crisil BBB/Stable (Downgraded from 'Crisil BBB+/Negative')</b>

*Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to Annexure for Details of Instruments & Bank Facilities*

#### Detailed rationale

Crisil Ratings has downgraded its rating on the long-term bank facility of Balaxi Pharmaceuticals Ltd (BPL; part of the Balaxi group) to '**Crisil BBB/Stable**' from '**Crisil BBB+/Negative**'.

The rating downgrade reflects continuing pressure on the profitability of the company in the ongoing fiscal with significant increase in sales and marketing expenditure over the medium term. The company is actively investing in promotional and marketing expenditure to enter and penetrate a new segment (institutional sales) which is impacting profitability. Revenue is expected to be Rs 280 crore, similar to fiscal 2025. The operating margin is expected to be lower at 5% in comparison to 12% in fiscal 2025. Furthermore, because of the shift in business model, the working capital cycle is also expected to remain stretched over the medium term.

The rating continues to reflect BPL's established market position in Angola and Latin America, recovery in revenue performance, extensive experience of the key promoter in the pharmaceuticals industry and healthy financial risk profile. These strengths are partially offset by large working capital requirement, moderation in profitability and revenue concentration risks.

#### Analytical approach

Crisil Ratings has combined the business and financial risk profiles of BPL with its wholly owned subsidiary and step-down subsidiaries. This is because all these entities, collectively referred to as the Balaxi group, are in the same business, have common promoters and strong business and financial links.

*Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

#### Key rating drivers - Strengths

##### **Established market position in Angola and Latin America:**

The group has an established market position in countries such as Angola, Dominican Republic and Guatemala. Benefits from the recognition of products and brands by doctors, pharmacists and healthcare professionals across these markets should continue over the medium term.

##### **Recovery in revenue performance:**

The company has managed to improve its revenue performance in fiscal 2025 with reported revenue of Rs 294 crore as against Rs 241 crore in fiscal 2024. The recovery has been supported by better demand scenario in the key market of Angola and incremental contribution from the institutional business. The company is shifting its business model towards institutional sales and, hence, the revenue will remain at similar levels as that of fiscal 2025 due to time taken to capture a new market. The manufacturing facility in India is expected to commence commercial operations in fiscal 2027 and is currently undergoing validations and other approvals. Though the facility in India is more from a backward integration point of view, the company will benefit in terms of operating efficiency and increased revenue contribution.

##### **Extensive experience of the key promoter:**

The key promoter, Ashish Maheshwari, has experience of around two decades in the pharmaceuticals industry; his strong understanding of market dynamics and healthy relationships with suppliers and customers should continue to support the business. The company will continue to benefit from the experience and expertise of its management team and leverage its customer relationships.

**Healthy financial risk profile:**

BPL's financial risk profile is supported by comfortable network, healthy capital structure and robust debt protection metrics. The capital structure is strong, as reflected in gearing and total outside liabilities to tangible network (TOLTNW) ratio of 0.25 time and 0.37 time, respectively, as on March 31, 2025, while the network is comfortable at Rs 204.9 crore. The debt protection metrics are expected to moderate in the ongoing fiscal, but will recover in fiscal 2027.

The financial risk profile is expected to remain healthy, with no debt-funded capex in the pipeline.

**Key rating drivers - Weaknesses****Moderation in profitability:**

The operating profitability will remain impacted over the medium term on account of the shift in business mix to institutional sales from retail sales. The company is investing in promotional and marketing expenditure to enter and penetrate the new segment, which has impacted profitability. Gross profit margin continues to be at similar healthy levels, but the impact on net margin is on account of the incremental marketing and business expenditure to attract and add institutional customers. The business expenditure is expected to continue to be higher in the next one year and, hence, profitability is expected to be subdued. The ability of the company to improve profitability will remain monitorable.

**Working capital-intensive operations:**

Operations are working capital intensive as reflected in gross current assets (GCAs) of 295 days as on March 31, 2025. Due to the stock and sell model of the business, inventory will remain higher at around 120 days while debtors increased on account of shift in the business model. The collection cycle for the institutional segment remained higher at 180–240 days, which has stretched the receivables to 138 days as on March 31, 2025.

**Revenue concentration risks:**

Given that more than 50% of the revenue comes from Angola, the company remains vulnerable to economic uncertainties in the region and volatility in currency rates.

**Liquidity Adequate**

Bank limit utilisation was moderate at 83% on average for the 12 months through January 2026.

Despite reduction in net cash accrual to Rs 4 crore expected in fiscal 2026, the debt obligation was less than Rs 2 crore. The current ratio was healthy at 4.52 times as on March 31, 2025. Low gearing and moderate network support financial flexibility and provide the financial cushion required in case of any adverse conditions or downturn in the business.

**Outlook Stable**

The profitability metrics and working capital cycle are expected to improve, especially in the Angolan market.

**Rating sensitivity factors****Upward factors:**

- Improvement in the business performance with revenue or strong margin resulting in net cash accrual of above Rs 25 crore
- Sustenance of the financial risk profile at healthy levels

**Downward factors:**

- Continuance of weak profitability metrics in the upcoming fiscal with operating margin at less than 5%
- Any weakening of the financial risk profile or impact on liquidity on account of higher working capital requirement

**About the group**

The Balaxi group is an IPR-based pharmaceuticals player supplying to Angola and Latin America under the brand, Balaxi. The group is also involved in branding and selling pharmaceutical products and construction materials. It is promoted by Ashish Maheshwari and his family members.

During the nine months through December 2025, the group reported consolidated revenue and net profit of Rs 199.45 crore and Rs 0.80 crore, respectively, as against Rs 216.29 crore and Rs 16.43 crore, respectively, in the corresponding period of the previous fiscal.

**Key financial indicators**

As on/for the period ended March 31	Consolidated	2025	2024
Operating income	Rs crore	294.92	241.93
Reported profit after tax (PAT)	Rs crore	25.07	-2.39
PAT margin	%	8.5	-0.99
Adjusted debt/adjusted network	Times	0.25	0.10
Interest coverage	Times	8.64	16.35

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

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**Annexure - Details of Instrument(s)**

ISIN	Name Of Instrument	Date Of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Working Capital Facility	NA	NA	NA	35.00	NA	Crisil BBB/Stable

**Annexure – List of entities consolidated**

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation
Balaxi Healthcare Guatemala S. A.	Full	Step down subsidiary
Balaxi Healthcare Dominicana S.R.L.	Full	Step down subsidiary
Balaxi Helthcare Angola (SU) LDA	Full	Step down subsidiary
Balaxi Pharmaceuticals Ltd	Full	Parent company
Balaxi Healthcare Angola LDA	Full	Step down subsidiary
Balaxi Healthcare Honduras	Full	Step down subsidiary
Balaxi Healthcare Chile	Full	Step down subsidiary
Balaxi Healthcare Nicaragua	Full	Step down subsidiary

**Annexure - Rating History for last 3 Years**

Instrument	Type	Current		2026 (History)		2025		2024		2023		Start of 2023
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	35.0	Crisil BBB/Stable		--	13-11-25	Crisil BBB+/Negative	05-11-24	Crisil BBB+/Stable	14-08-23	Crisil BBB+/Negative	Crisil BBB+/Stable

All amounts are in Rs.Cr.

**Annexure - Details of Bank Lenders & Facilities**

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Working Capital Facility	35	YES Bank Limited	Crisil BBB/Stable

**Criteria Details**

<b>Links to related criteria</b>
<a href="#">Basics of Ratings (including default recognition, assessing information adequacy)</a>
<a href="#">Criteria for consolidation</a>
<a href="#">Criteria for manufacturing, trading and corporate services sector (including approach for financial ratios)</a>

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