

16th September, 2025

To,
Dy. General Manager
Department of Corporate Services,
BSE Ltd.,
P. J. Towers, Dalal Street,
Fort, Mumbai – 400 001

To,
The Manager – Listing,
National Stock Exchange of India Ltd.,
Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 051

Ref: Scrip Code: 543322

Ref: Scrip Name: ALIVUS

Ref.: Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015

Dear Sir/Madam,

Sub: India Ratings Upgrades Alivus Life Sciences's Bank Loan Facilities to 'IND AA'; Outlook Stable

With reference to the subject mentioned above, kindly find enclosed rating rationale issued by India Ratings and Research for your reference.

Request you to kindly take the same on record.

Thanking You,

Your Sincerely,

For Alivus Life Sciences Limited
(formerly Glenmark Life Sciences Limited)

Rudalf Corriea
Company Secretary & Compliance Officer

Encl: As above

Alivus Life Sciences Limited (formerly Glenmark Life Sciences Limited)

Corporate Office:

Technopolis Knowledge Park, A wing, 4th Floor, Mahakali
Caves Road, Andheri East, Mumbai 400093, India

Registered Office:

Plot No 170-172, Chandramouli Industrial Estate
Mohol Bazarpeth, Solapur 413 213, India

T: +91 22 6829 7979 | CIN: L74900PN2011PLC139963 | E: complianceofficer@alivus.com | W: www.alivus.com



India Ratings Upgrades Alivus Life Sciences’s Bank Loan Facilities to ‘IND AA’; Outlook Stable

Sep 16, 2025 | Pharmaceuticals

India Ratings and Research (Ind-Ra) has upgraded Alivus Life Sciences Limited’s (ALS; formerly Glenmark Life Sciences Limited) bank loan facility’s long-term rating to ‘IND AA’ from ‘IND AA-’ with a Stable Outlook while affirming the short-term rating at ‘IND A1+’ as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating Assigned along with Outlook/Watch	Rating Action
Bank loan facilities	-	-	-	INR7,000	IND AA/Stable/IND A1+	Long-term rating upgraded; short-term rating affirmed

Analytical Approach

Ind-Ra continues to take a standalone view of ALS to arrive at the rating.

Detailed Rationale of the Rating Action

The upgrade reflects ALS’s healthy revenue visibility coupled with strong EBITDA margins and net cash position in FY25. During FY25-1QFY26, ALS’s operational performance remained strong despite pricing headwinds faced by other active pharmaceutical ingredient (API) peers due to its presence in a niche/complex portfolio. Ind-Ra notes despite an 86% increase in capacities over FY22-FY25, ALS’s capacity utilisation remained above 95% over the same period. ALS benefits from its association with Glenmark Pharmaceuticals Limited (GPL; [‘IND AA/Positive’](#); 33% of revenue), with volume supply contracts extending till FY29.

Despite the large, planned capex aimed at almost doubling capacities (including backward integration capex), Ind-Ra expects the credit metrics to remain strong in the near-to-medium term due to minimal reliance on external funding for the same. ALS is a group company of Nirma Limited ([‘IND AA/Stable’](#)), which further adds to its financial flexibility.

List of Key Rating Drivers

Strengths

- Sustainable business profile, portfolio diversification towards niche areas
- Strong operational performance in FY25-1QFY26, likely to remain healthy in the near-to-medium term
- Net cash position and strong return on capital employed (ROCE); credit metrics to remain strong in the near-to-medium term despite capex
- Part of established group

Weaknesses

- Regulatory and geopolitical risks
- Foreign currency risk

Detailed Description of Key Rating Drivers

Sustainable Business Profile, Portfolio Diversification Towards Niche Areas: ALS has a diversified revenue stream with a presence across regulated (~85% of FY25 revenue) and emerging markets (~15% of FY25 revenue). In FY25, its top 10 generic API products contributed 45% to the total revenue (FY24: 49%; FY23: 45%). ALS has a long-term contract with GPL and has relationships of over five years with most of its other customers.

As of FY25, it has a portfolio of 165 molecules (FY24: 151 molecules; FY23: 139 molecules) and a pipeline of 49 new product developments, including three iron complexes and 24 high potent APIs (HPAPIs), strengthening its focus on complex, high-value APIs. According to ALS's FY25 annual report, the global HPAPI market, estimated to be worth USD29.34 billion in 2025, is projected to grow at a CAGR of 9.27% to USD45.70 billion by 2030. Factors such as the growing prevalence of chronic diseases, the expiration of patents on key oncology drugs, and increasing interest in biosimilars are driving the demand for HPAPIs.

The company's research and development expenditure stood at INR805 million in FY25 and accounted for 3.4% of the total revenue (FY24: INR753 million, 3.3%; FY23: INR652 million, 3.0%). This consistent investment reflects the company's focus on validation batches, cost improvement initiatives, and the development of complex products. At end-June 2025, ALS filed over 569 drug master filings (DMFs)/certificates of suitability/dossiers across various markets, mainly in the US, Europe, Brazil, Canada, Japan, Russia and others. As per USFDA, 45% of DMFs recorded over FY23-FY25 had less than five players.

Strong Operational Performance in FY25-1QFY26, Likely to Remain Healthy in Near-to-medium Term: ALS's revenue grew to INR23,869 million in FY25 (FY24: INR22,832 million), with a 10% yoy volume growth. The gross profit as a percentage of revenue reduced 140bp to 54.7% due to the absence of Production Linked Incentive (PLI) benefits. However, the EBITDA margins remained healthy at 28.6% in FY25 (FY24: 29.5%; FY23: 29.7%). Ind-Ra expects further growth in profitability in the near term on account of the completion of a brownfield project by FY26.

In FY25, the EBITDA margins declined marginally to 28.6% (FY24: 29.5%), due to an increase in raw material costs and higher employee costs and one-time payouts. ALS's average EBITDA margin remained healthy at around 30% over FY19-FY25, higher than that of its peers, owing to the company's presence in the high complexity segments that have low competition, such as cardiovascular and central nervous system. With the company's strategy to enter into low-competition, high-value products, Ind-Ra expects the EBITDA margins to remain healthy despite the rise in research and development expenses as a percentage of sales, price erosion in the existing portfolio and the potential operational deleveraging, due to higher capacities coming online in the medium term.

Net Cash Position and Strong ROCE; Credit Metrics to Remain Strong in Near-to-medium Term despite Capex: ALS has remained net cash positive since FY19, with no long-term debt or major debt-funded capex. ALS had healthy cash on its books of INR5,487 million at FY25 (FY24: INR3,014 million; FY23: INR3,094 million), which will be used for future capex coupled with healthy cash generation.

The company's capacity utilisation was high at 90%-95% in FY25 with a ROCE of 23% (FY24: 27%; FY23: 29%). The planned greenfield and brownfield expansions will increase the reactor capacity to 2,690 kilo litres (kl) by 2028 (FY25: 1,424kl) with the first phase to be funded through internal accruals. Ind-Ra expects the greenfield capex to improve the backward integration and support EBITDA margins. The net leverage (net debt/EBITDA) is likely to stay below 1.0x in the near-to-medium term, despite the ongoing capex, as the company continues to pursue growth while maintaining a strong cash position.

Part of Established Group: ALS is majority-owned (75%) by Nirma, a diversified conglomerate. The acquisition in March 2024 has enhanced ALS's financial flexibility. The company's strategic decisions are taken in consultation with Nirma's chairman, but ALS also operates independently as an entity. Ind-Ra expects the cash being generated to be retained within ALS for growth initiatives, with not much upstreaming to Nirma (except calibrated dividends). Ind-Ra does not expect material upstreaming of cash to Nirma, and the same shall remain a monitorable.

Regulatory and Geopolitical Risks: In FY25, the company derived over 85% of its sales came from the regulated markets. The company operates four API and intermediate manufacturing facilities in India with three (Ankleshwar, Dahej, Mohol) approved by the USFDA. Its facilities also hold approvals from key global regulators including those in the UK, European Union, Japan, Canada, South Korea, and others. All units were USFDA-compliant as of FY25. While regulatory compliance remains strong, any adverse inspection outcome could impact operations.

Foreign Currency Risk: ALS derives 53% of its revenue in foreign currency, whereas the majority of its costs are incurred in Indian rupee. Hence, the company is exposed to any adverse movement in foreign exchange rate. However, the company has a board-approved hedging policy in place to manage its currency risk.

Liquidity

Adequate: ALS’s liquidity is supported by the available unencumbered cash of INR5,487 million at FY25 (FY24: INR3,014 million). The fund-based limits remained unutilized while the utilisation of non-fund-based limit remained low at about 19% over the 12 months ended June 2025. The operating cash flow declined to INR3,915 million in FY25 (FY24: INR 4,135 million), mainly due to an increase in the working capital cycle to 192 days (FY24: 170 days). The receivable period increased to 148 days (FY24: 122 days), driven by extended credit terms with GPL, its former promoter under the master supply agreement. Despite this, the free cash flow improved to INR2,253 million in FY25 (FY24: INR89 million) as the company did not pay dividends (INR2,757 million). Despite the planned capex of over INR6,000 million during FY26-FY27, Ind-Ra expects the liquidity to remain healthy, supported by internal accruals.

Rating Sensitivities

- Positive:** Events that could, individually or collectively, lead to a positive rating action are:
- an improvement in the scale of operations while maintaining a healthy ROCE with better utilisation of expanded capacities
 - a continued improvement in the business profile reflected in reduced product concentration with further improvement in the working capital cycle,
 - sustainable free cash flow generation while maintaining a strong credit profile.

Negative: Any decline in the scale of operations and operating profitability, leading to deterioration in the credit metrics and liquidity position, and the net leverage exceeding 1.0x on a sustained basis, could be negative for the ratings.

Any Other Information

Not applicable

About the Company

ALS manufactures select, high-value, non-commoditized, APIs in therapy areas such as cardiovascular, central nervous system, pain management and diabetes. The company also provides contract development and manufacturing organisation services to a range of multinational and specialty pharmaceutical companies. It has a diversified portfolio of 165 molecules and supplies its products to customers in India, Europe, North America, Latin America, Japan and the rest of the world. The company has four manufacturing facilities located in Ankleshwar, Dahej, Mohol and Kurkumbh.

Key Financial Indicators

Particulars	1QFY26	FY25	FY24
Revenue (INR million)	6,018	23,869	22,832
EBITDA (INR million)	1,723	6,826	6,743
EBITDA margin (%)	28.6	28.6	29.5
Gross interest coverage (x)	138	283	436
Net leverage (x)	-	-0.4	-0.7

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook				
	Rating Type	Rated Limits (million)	Rating	19 June 2024	3 October 2023	22 September 2023	19 July 2023	25 May 2022
Issuer rating	Long-term	-	-	-	-	WD	IND AA-/Stable	IND AA-/Stable
Bank loan facilities	Long-term/Short-term	INR7,000	IND AA/Stable/IND A1+	IND AA-/Positive/IND A1+	IND AA-/Rating Watch with Developing Implications/IND A1+/Rating Watch with Developing Implications	-	IND AA-/Stable/IND A1+	IND AA-/Stable/IND A1+

Bank wise Facilities Details

The details are as reported by the issuer as on (16 Sep 2025)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Bank of Baroda	Fund-based/Non-fund-based limit	3000	IND AA/Stable/IND A1+
2	Emirates NBD Bank	Fund-based/Non-fund-based limit	1500	IND AA/Stable/IND A1+
3	Hongkong Shanghai Banking corporation	Fund-based/Non-fund-based limit	2500	IND AA/Stable/IND A1+

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>.

Contact

Primary Analyst

Hardik Gala
Analyst
India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

+91 22 40356170

For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst

Ruchika Agarwal

Senior Analyst

+91 40 67661926

Media Relation

Ameya Bodkhe

Marketing Manager

+91 22 40356121

About India Ratings

India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

The Rating Process

Short-Term Ratings Criteria for Non-Financial Corporates

All credit ratings assigned by india ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site.