



## Press Release

**Wanbury Limited**  
**March 05, 2026**

### Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	40.00	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)	IVR C+ /Negative; ISSUER NOT COOPERATING* (IVR C Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Removed from ISSUER NOT COOPERATING* category; Rating upgraded and Outlook revised	<a href="#">Simple</a>
Long Term Bank Facilities	0.00 (Reduced from 61.97 Cr)	-	IVR C+/Negative; ISSUER NOT COOPERATING* (IVR C Plus with Negative Outlook; Issuer Not Cooperating)	@Withdrawn	<a href="#">Simple</a>
Short Term Bank Facilities	0.00 (Reduced from 3.03 Cr)	-	IVR A4; ISSUER NOT COOPERATING* (IVR A Four; Issuer Not Cooperating)	@Withdrawn	<a href="#">Simple</a>
<b>Total</b>	<b>40.00</b>	<b>(Rupees Forty Crore Only)</b>			

*\*Issuer did not cooperate; based on best available information*

@ The company has submitted No Due Certificates (NDC) from all the mentioned banks and requested the withdrawal of the said facility. Thereby, the rating for the said long-term and short-term facilities is withdrawn as per the Infomerics policy for withdrawal.

- Term loans from Edelweiss ARC amounting to Rs. 52.82 Cr.
- Cash Credit and Letter of Credit from IDBI Bank amounting to Rs. 4.14 and 3.03 Cr respectively
- Cash Credit from Axis Bank amounting to Rs. 4.86 Cr

**Details of Facilities/Instruments are in Annexure 1. Facility-wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

### Detailed Rationale

Infomerics has removed Wanbury Ltd from the INC category; the rating has been upgraded to IVR BBB- with a revision in outlook to Stable. The upgrade factors in the sustained



## Press Release

improvement in operating and financial performance in FY25 and 9MFY26, underpinned by a structural turnaround in business operations, capacity enhancement, and yield improvement. The moderation in leverage, including improvement in TOL/ATNW, along with improved EBITDA generation, supports the revised credit profile.

The turnaround has been supported by diversification initiatives and operational efficiencies. The company has expanded its product portfolio beyond its key APIs—Metformin and Sertraline—with new molecules across anaesthetic, anti-cough, diabetes and blood-thinning categories expected to be launched in Q4FY26 and onward. Engagement of E&Y for process benchmarking has resulted in raw material cost optimisation through improved input–output ratios and higher batch yields, thereby strengthening margins. Further, a shift to direct procurement from manufacturers and overseas suppliers, along with improved liquidity supported by enhanced working capital and factoring lines, has optimised procurement costs and normalised the working capital cycle, even as the company undertakes planned capex over FY26–FY27.

The revision in outlook to Stable reflects Infomerics' expectation that Wanbury Ltd. will sustain its improved profitability, maintain moderate leverage despite ongoing capex, and generate adequate cash accruals to support incremental working capital requirements. The outlook is contingent upon the timely execution of product diversification plans and the maintenance of liquidity at comfortable levels.

### Key Rating Sensitivities:

- **Upward Factors**
  - Sustained improvement in profitability and cash flow metrics
  - Meaningful deleveraging and improvement in leverage indicators. Specifically, overall gearing is reduced to less than 1.00x on a sustained basis.
  - Successful commercialization of new API launches with stable demand visibility
  - Reduction in interest cost and strengthening of coverage metrics
  
- **Downward Factors**
  - Weakening of profitability or cash flows impacting debt-servicing ability
  - Delay in deleveraging or increase in leverage levels



## Press Release

- Execution risks in new product launches and capex leading to cash flow strain
- Adverse regulatory or market developments in key export markets

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Strong competitive position in select APIs with meaningful global market share**

Wanbury has established strong global positions in select, high-volume APIs, most notably Metformin and Sertraline, which underpin its business risk profile. The company commands approximately 11% of global Metformin (Anti-diabetic drug) capacity and nearly 30% of global Sertraline (Antidepressant) capacity, reflecting meaningful scale in otherwise competitive global markets. The remaining API portfolio—comprising Tramadol, Diphenhydramine HCl/Citrate, Mefenamic Acid, and Paroxetine HCl—adds breadth across therapeutic segments such as diabetes, antidepressants, anaesthesia, and pain management, reducing dependence on any single molecule.

- **Medium-term growth visibility supported by new product pipeline and capex**

Wanbury has outlined a clearly articulated growth strategy, with four new API molecules launching in Q4 FY26 and another four in FY27, focused on products with limited competition. Over the upcoming year, the company plans to launch APIs such as Dextromethorphan HBr and Ketamine HCl, followed by molecules like Rivaroxaban and Sitagliptin. These launches are being executed through in-house process development, phased scale-up, and regulatory validations, enabling faster commercialisation. These launches are expected to contribute ~₹60–70 crore of incremental annual revenues, equivalent to ~7–9% growth per annum. Additionally, early investments in molecules going off-patent in FY29–30 provide longer-term revenue visibility. The cumulative capex of ~₹150–160 crore over three years (FY25-FY27) is largely funded through internal accruals and already-issued NCDs, with no incremental term debt planned.



## Press Release

- **Predominant exposure to regulated export markets with a stable revenue mix**

Wanbury's revenue profile is strongly export-oriented, with exports contributing ~70% of total revenues, largely from APIs accounting for ~88% of the revenue mix. Importantly, ~75–80% of API revenues are derived from regulated markets such as Europe, Latin America, South Korea, and limited exposure to the US. In the case of formulations, the entire sales are derived from the domestic market. The company follows a deliberate strategy of not selling APIs in the domestic Indian market, thereby avoiding price-controlled and highly commoditised segments. This regulated-market focus supports better pricing discipline, longer customer relationships, and higher entry barriers, partially insulating the company from aggressive price erosion typical of unregulated markets. The stable revenue mix over recent years further adds predictability to cash flows.

- **Demonstrated turnaround with structural improvement in profitability and cash flows**

Following a prolonged period of financial stress arising from leveraged acquisitions, margin erosion in Europe, and high-cost borrowings, Wanbury has executed a credible turnaround since FY24. Operationally, EBITDA margins have expanded from ~5–6% historically to ~12.5% in FY25, driven by process efficiencies, plant debottlenecking (10–15% capacity enhancement without major capex), improved yields, and solvent recovery.

Over the past three years, Wanbury has executed a structured turnaround by monetising non-core assets, raising equity and structured debt, and settling bank liabilities by mid-FY23. ₹95 Cr raised via NCDs from Neo AIF in Jul 2023 (later refinanced at a lower interest rate by Investec 175cr NCD), ₹175 Cr under a NCD program in Feb 2025, and ₹25 Cr through the second tranche of NCDs. These measures have reduced financing costs and enabled management to refocus on stabilising and scaling the core API business. Leverage remains elevated but shows a clear improving trend, supported by rising net worth. Overall gearing moderated from extremely weak levels at end FY23 (Negative 4.99 due to negative net worth) to ~3.3x at end FY25,



## Press Release

- **Long operating track record supported by experienced promoter-led management**

Wanbury Limited has an operating track record of over 37 years in the pharmaceutical industry, having commenced operations in 1988 and evolved into an integrated API-focused player with a complementary branded formulations presence. The company has demonstrated resilience across industry cycles, supported by its established market presence and regulatory experience. It is led by an experienced promoter group, including Mr K. Chandran and Mr Mohan Kumar Rayana, each with over three decades of pharmaceutical industry experience and longstanding involvement in the company's strategic direction and turnaround. The promoters' continued engagement and execution capability support management stability and remain a key credit strength.

### **Key Rating Weaknesses**

- **Elevated leverage till FY25 despite post-FY23 resolution of stress**

While Wanbury Limited has significantly reduced financial stress post-FY23, the company's absolute debt levels and leverage metrics remain elevated, constraining financial flexibility. The earlier stress stemmed from leveraged overseas acquisitions, including the Cantabria acquisition in Spain, sustained margin erosion in regulated European markets following price controls and genericization, and reliance on high-cost private credit amid constrained bank funding, which led to weak coverage metrics and erosion of net worth. This is reflected in negative net worth-linked leverage indicators in FY23. In February 2025, the company issued ₹200 crore of NCDs, with repayments commencing from Q4 FY26, resulting in a still-meaningful debt servicing obligation over the medium term. Hence, the repayment profile, despite a large, expected growth in accruals from FY26, exposes the company to liquidity risks over FY26-FY28.

- **Substantial repayment obligations**

The current NCD coupon of 12.5% remains relatively high. At the current stage, interest coverage remains moderate at 2.07X and is expected to reach 3.6X by FY26, limiting the headroom under stress scenarios. Wanbury's finance costs increased from ₹21.4 Cr in FY23



## Press Release

to ₹36.95 Cr in FY25 and are expected to reduce slightly in the current financial year. Additionally, the company has an upcoming NCD repayment, which is Rs. 40cr annually, which starts with the payment of Rs. 10cr in February 2026 and continues quarterly thereafter till Feb 2030. Any deterioration in market conditions could impact interest costs and cash flow coverage metrics.

- **High product concentration and commoditisation risk**

Wanbury Limited's API revenue base remains highly concentrated, with Metformin HCL and Sertraline HCL together accounting for ~85–90% of total API revenues by value across periods. In FY24 and FY25, Metformin HCL contributed ~50–56% of revenues, and Sertraline HCL accounted for ~35–40% of revenues. Metformin, despite a sizeable capacity of ~9,000 TPA (around 11% of global demand), is highly commoditised, with intense competition and limited pricing power, rendering margins vulnerable to price erosion and input cost volatility. Sertraline, with a capacity of ~200 TPA (around 30% of global demand, offers relatively better entry barriers. Overall, limited product diversification to date has constrained revenues and heightened exposure to cyclical in the global API market.

- **Execution risk associated with new product launches and capex plans**

The planned launch of multiple new molecules over FY26–FY28 introduces execution and regulatory risk, including timelines for approvals, customer onboarding, and commercial ramp-up. While the capex is largely internally funded, delays in monetisation could temporarily strain cash flows. Additionally, investments being carried out presently for the development of molecules going off-patent in FY29–30 without immediate returns could weigh on near-term free cash flows.

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)



## Press Release

### [Complexity Level of Rated Instruments/Facilities](#)

#### **Liquidity – Adequate**

The liquidity profile of Wanbury Ltd appears to be adequate, with the current ratio of 1.11x, and the Quick ratio is below unity, 0.89x as on 31<sup>st</sup> March 2025. The company is earning a comfortable level of Gross Cash Accruals (GCA), which stood at Rs. 37.00 crore for FY25, a decline from FY24 (GCA 43.81Cr) and the same is expected to improve during the projected period with an increase in scale of operations and the launching of new APIs in the market. The GCA is expected to be in the range of ~Rs. 80.00 crores to Rs. 120 crores annually during the projected period, which is adequate to meet the repayment obligations of 35.00 Cr in FY27 and 42.00 Cr in FY28. The company had a cash & bank balance of Rs. 12.83 crore as on March 31, 2025(A). The average working capital utilisation level stood 68% during the last twelve months ended December 31, 2025.

#### **About the Company**

Wanbury Limited is a listed India-based pharmaceutical company incorporated in August 1988, with its equity shares traded on the BSE and NSE. Over nearly four decades, the company has evolved into an integrated pharmaceutical player with a primary focus on active pharmaceutical ingredients (APIs) and a complementary branded formulations business. It operates US FDA–approved API manufacturing facilities at Patalganga (Maharashtra) and Tanuku (Andhra Pradesh), catering to regulated and semi-regulated international markets alongside the domestic market, thereby supporting its established regulatory track record and export presence.

Wanbury is among the leading global manufacturers of Metformin and also produces APIs such as Sertraline HCl, Tramadol HCl, Mefenamic Acid and Paroxetine HCl. The integrated manufacturing base and diversified product profile underpin the company’s overall business risk profile.

#### **Financials (Standalone):**

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	577.74	599.51



## Press Release

For the year ended/ As on*	31-03-2024	31-03-2025
EBITDA	72.09	76.32
PAT	30.40	30.53
Total Debt	109.27	173.23
Tangible Net Worth	22.18	52.01
EBITDA Margin (%)	12.48	12.73
PAT Margin (%)	5.25	5.06
Overall Gearing Ratio (x)	4.93	3.33
Interest Coverage (x)	2.47	2.07

\* Classification as per Infomerics' standards.

**Status of non-cooperation with previous CRA: Nil**

**Any other information: Nil**

**Rating History for the last three years:**

Sr.	Name of Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned 2023-24
	PR Date			March 05, 2026	December 03, 2025	October 01, 2024	September 22, 2023
1.	Term Loan	Long Term	0.00	-	IVR C+/Negative; ISSUER NOT COOPERATING*	IVR C+/Negative; ISSUER NOT COOPERATING*	IVR B/Negative; ISSUER NOT COOPERATING*
2.	Cash Credit	Long Term	40.00	IVR BBB-/Stable (IVR Triple B Minus with Stable Outlook)	IVR C+/Negative; ISSUER NOT COOPERATING*	IVR C+/Negative; ISSUER NOT COOPERATING*	IVR B/Negative; ISSUER NOT COOPERATING*
3.	Proposed Fund Based Facilities	Long Term	0.00	-	IVR C+/Negative; ISSUER NOT COOPERATING*	IVR C+/Negative; ISSUER NOT COOPERATING*	IVR B/Negative; ISSUER NOT COOPERATING*
4.	Letter of Credit	Short Term	0.00	-	IVR A4; ISSUER NOT COOPERATING*	IVR A4; ISSUER NOT COOPERATING*	IVR A4; ISSUER NOT COOPERATING*



## Press Release

### Analytical Contacts:

Name: Sudarshan Shreenivas

Tel: (022) 62396023

Email: [sudarshan.shreenivas@infomerics.com](mailto:sudarshan.shreenivas@infomerics.com)

### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI). Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



## Press Release

### Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	--	--	--	--	0.00	-
Cash Credit	--	--	--	--	40.00	IVR BBB- /Stable (IVR Triple B Minus with Stable Outlook)
Proposed Long Term Bank Facilities	--	--	--	--	0.00	-
Letter of Credit	--	--	--	--	0.00	-

### Annexure 2: Facility wise lender details:

[https://infomericstorage.blob.core.windows.net/uploads/LEN\\_Wanbury05\\_March26\\_86e69e05eb.pdf](https://infomericstorage.blob.core.windows.net/uploads/LEN_Wanbury05_March26_86e69e05eb.pdf)

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable**

**Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable**

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).