

January 17, 2025^(Revised)

Intas Pharmaceuticals Limited: Update on Material Event

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term/ short-term; fund-based/ non-fund based limit	1500.00	1500.00	[ICRA]AA+(Stable)/ [ICRA]A1+; outstanding
Total	1500.00	1500.00	

*Instrument details are provided in Annexure-I

Rationale

Material event

Intas Pharmaceuticals Limited (IPL) has entered into a definitive agreement with Coherus Biosciences for the acquisition of its brand, Udenyca, for a total consideration of \$558.4 million, including milestone related payments of \$75.0 million tied up with the sales of the brand after the acquisition. The acquisition is subject to certain regulatory and shareholder approvals and is expected to be completed between Q4 FY2025 and Q1 FY2026.

Udenyca (pegfilgrastim) is a biosimilar drug prescribed to certain cancer patients undergoing chemotherapy to reduce the risk of infections and treat low white blood cell count. The drug comes in three presentations – pre-filled injections, autoinjector and onbody injector and is different from the presentation of IPL's own pegfilgrastim, which is being sold in Europe at present. Udenyca registered total sales of around \$197 million for the 12 months period ending in September 2024.

Impact of material event

The acquisition is expected to help IPL in strengthening its presence in the US generics markets, especially in the biosimilars segment. The acquisition is likely to be partly funded through debt and partly through IPL's available liquidity with cash, cash equivalents and liquid investments of Rs. 4,721.1 crore as on September 30, 2024. Despite some increase in IPL's debt levels after the acquisition, its capitalisation and coverage metrics are expected to continue to remain healthy. IPL's credit profile would also continue to be supported by its established presence in the European and domestic pharmaceutical markets and expectations of improvement in its performance in the US generics business. Nonetheless, IPL's ability to successfully integrate the acquired brand and achieve the desired scale-up will remain under monitoring.

Please refer to the following link for the previous detailed rationale that captures the key rating drivers and their description, liquidity position and rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Pharmaceutical Industry
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of IPL. As on March 31, 2024, the company had 12 subsidiaries and 27 step-down subsidiaries, which are all enlisted in Annexure II.

About the company

Incorporated in 1985, IPL is the flagship company of the Ahmedabad-based Chudgar Group. The company commenced operations by setting up a small manufacturing facility focused on chronic therapeutic segments, including neurology and psychiatry, before gradually gaining a meaningful presence in the domestic formulations market by the 1990s. Over the years, the company has diversified into wide therapeutic areas and ventured into international markets by exporting generic drugs and through contract manufacturing.

IPL is the sixth largest domestic formulations company, as per IQVIA MAT March 2024¹, generating nearly 39% of its turnover (for FY2024) from the domestic business. The company operates 17 manufacturing facilities, with 13 in India, and the remaining is spread over the UK (two), Greece and Mexico. IPL's manufacturing facilities are approved by various regulatory authorities, including the USFDA², UK MHRA³, MCC⁴ (South Africa), TGA⁵ (Australia) and ANVISA⁶ (Brazil). IPL's promoters, the Chudgar family, owns an 83.84% stake in the company.

Key financial indicators

IPL - Consolidated	FY2023	FY2024
Operating income	20,086.2	19,667.8
PAT	2,422.8	1,162.1
OPBDIT/OI	18.6%	12.5%
PAT/OI	12.1%	5.9%
Total outside liabilities/Tangible net worth (times)	0.5	0.5
Total debt/OPBDIT (times)	0.4	0.8
Interest coverage (times)	29.6	14.8

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore; *provisional; All ratios as per ICRA calculations

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

¹ IQVIA Inc., Moving annual total – March 2024

² United States Food and Drug Administration

³ United Kingdom Medicines and Healthcare products Regulatory Agency

⁴ Medicines Control Council, South Africa

⁵ Therapeutic Goods Administration, Australia

⁶ Agência Nacional de Vigilância Sanitária (National Health Surveillance Agency), Brazil

Rating history for past three years

Current (FY2025)					Chronology of rating history for the past 3 years							
					FY2025		FY2024		FY2023		FY2022	
Instrument	Type	Amount Rated (Rs Crore)	Outstanding Amount (Rs Crore)	17-Jan-2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based/non fund based facilities	Long Term/ Short Term	1500.00	0.00	[ICRA]AA+ (Stable)/ [ICRA]A1+	01- NOV- 2024	[ICRA]AA+ (Stable)/ [ICRA]A1+	14- JUN- 2023	[ICRA]AA+ (Stable)/ [ICRA]A1+	22- SEP- 2022	[ICRA]AA+ (Stable)/ [ICRA]A1+	19- JULY- 2021	[ICRA]AA+ (Stable)/ [ICRA]A1+
					-	-	30- NOV- 2023	[ICRA]AA+ (Stable)/ [ICRA]A1+	-	-	-	-
					-	-	18- DEC- 2023	[ICRA]AA+ (Stable)/ [ICRA]A1+	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term/ short-term fund-based/ non-fund based facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund based/ non-fund based facilities	NA	NA	NA	1,500	[ICRA]AA+ (Stable)/ [ICRA]A1+

Source: Company

Annexure II: List of entities considered for consolidated analysis for FY2024

Company Name	IPL's Ownership	Consolidation Approach
Subsidiaries		
Accord Healthcare Limited, UK	100.00%	Full Consolidation
Astron Research Limited, UK	100.00%	Full Consolidation
Accord Healthcare Inc., North Carolina, USA	100.00%	Full Consolidation
Accord Healthcare (Pty) Limited, South Africa	100.00%	Full Consolidation
Accord Farmaceutica Ltda., Brazil	100.00%	Full Consolidation
Accord Healthcare SAC, Peru	100.00%	Full Consolidation
Accord Farma S.A. De C.V., Mexico	100.00%	Full Consolidation
Accord Healthcare Inc., Canada	100.00%	Full Consolidation
Accord Healthcare Pty. Ltd., Australia	100.00%	Full Consolidation
Intas Third Party Sales 2005 S.L.	100.00%	Full Consolidation
Accord Healthcare (Kenya) Limited	100.00%	Full Consolidation
SM Herbals Private Limited	100.00%	Full Consolidation
Step-down Subsidiaries		
Farmbait S.A DE CV, Mexico	100.00%	Full Consolidation
Essential Pharmaceuticals LLC	100.00%	Full Consolidation
Accord Biopharma Inc. USA	100.00%	Full Consolidation
Accord Biosimilars LLC (upto October 28, 2022)	100.00%	Full Consolidation
Accord Healthcare SAS, France	100.00%	Full Consolidation
Accord Healthcare BV, Netherlands	100.00%	Full Consolidation
Accord Healthcare Sociedad Limitada, Spain	100.00%	Full Consolidation
Accord Healthcare Italia SRL, Italy	100.00%	Full Consolidation
Accord Healthcare Polska Spolka Z Organizacjona Odpowiedzialnoscia, Poland	100.00%	Full Consolidation
Accord Healthcare AB, Sweden	100.00%	Full Consolidation
Accord Healthcare GmbH, Austria	100.00%	Full Consolidation
Accord Healthcare OY, Finland	100.00%	Full Consolidation
Accord Healthcare Ireland Limited, Ireland	100.00%	Full Consolidation
Accord Healthcare BVBA, Belgium	100.00%	Full Consolidation
Accord Healthcare Limited, Malta	100.00%	Full Consolidation
Accord Healthcare GmbH, Germany	100.00%	Full Consolidation
Accord Healthcare SDN BHD, Malaysia	100.00%	Full Consolidation
Accord Healthcare MENA DMCC, UAE	100.00%	Full Consolidation
Accord-Healthcare Kft., Hungary	100.00%	Full Consolidation

Company Name	IPL's Ownership	Consolidation Approach
Accord Healthcare S.R.O., Czech Republic	100.00%	Full Consolidation
Accord Healthcare Single Member S.A., Greece	100.00%	Full Consolidation
Accord Healthcare Private limited, Singapore	100.00%	Full Consolidation
Accord Healthcare, Unipessoal, Lda, Portugal	100.00%	Full Consolidation
Accord Healthcare HK Limited, Hongkong (upto February 28, 2023)	100.00%	Full Consolidation
Accord Healthcare SRL, Romania	100.00%	Full Consolidation
Accord Healthcare AG, Switzerland	100.00%	Full Consolidation
Accord UK Limited, UK	100.00%	Full Consolidation
Accord Healthcare Thailand Limited (Thailand)	100.00%	Full Consolidation
Accord Healthcare Distribution SRL, Romania	100.00%	Full Consolidation

Source: IPL annual report of FY2024

Corrigendum

Document dated January 17, 2025 has been corrected with revisions as detailed below:

Revision: - Page 1 – Typographical error in analytical approach table has been corrected

Page 3 – Error in rating history table on page 3 has been corrected

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