

July 30, 2025

## Sentiss Pharma Private Limited: [ICRA]A (Stable); assigned

### Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based limits	250.00	[ICRA]A (Stable); assigned
<b>Total</b>	<b>250.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings assigned to Sentiss Pharma Private Limited (SPPL) factor in its established position as one of the leading companies in the ophthalmic drugs market in Russia and the Commonwealth of Independent States (CIS) region including countries like Kyrgyzstan, Kazakhstan and Uzbekistan and the extensive experience of its promoters in this business. The company has been present in the Russian pharmaceutical market for more than three decades and benefits from its strong relationship with the key distributors and ophthalmologists in the market. This, coupled with regular new drug launches has enabled the company to report a healthy increase in revenues from the base business at a CAGR of 20% over FY2021 to FY2025. The ratings also factor in SPPL's healthy financial profile, supported by expectations of strong cash flow generation and limited dependence on debt, leading to a healthy financial profile.

In June 2023, SPPL acquired a Switzerland-based ophthalmic formulations manufacturing entity – Akorn AG (Akorn) – along with some abbreviated new drug applications (ANDAs) for \$36.45 million through insolvency proceedings. The acquisition gave SPPL access to Akorn's manufacturing facility located in Switzerland and approved by the United States Food and Drug Administration (USFDA) and thus opened the doors for its entry in the US market. Since the acquisition, SPPL has launched several products in the US, which has resulted in geographical diversification of its revenues. In FY2025, around 46% of its consolidated revenue was generated from Russia against 84% in FY2023. As the products were launched gradually, Akorn witnessed significant losses in FY2024 on the back of a low capacity utilisation, leading to a net loss of Rs. 77.2 crore by SPPL at a consolidated level. Subsequently, with the launch of new products, the profitability of the acquired business has improved in FY2025 and SPPL has generated a net profit during the year. While the acquisition is expected to continue to impact SPPL's profitability and earnings over the near term, the strong profitability of the base business and a gradual scale-up in revenues are expected to improve its earning profile and cash flow generation over the medium term. While the company is likely to undertake incremental debt to partially fund its planned capex of Rs. 400-450 crore over FY2026 and FY2027 (towards both facilities), its overall debt levels are expected to remain comfortable and ICRA expects the total debt/OPBDITA to remain within 2 times over the near-to-medium term.

The ratings also factor in the therapeutic concentration of SPPL's revenues, which is focused on the ophthalmic segment. However, its position among the leading players in this therapy in its key markets and a strong brand recall mitigate the risk to a certain extent. Moreover, like its peers, SPPL remains exposed to regulatory risks including scrutiny by regulatory agencies (like the USFDA) and other litigations, such as product liability and other commercial matters, especially in the US. Any adverse development in this regard will be evaluated on a case-to-case basis.

The Stable outlook on the long-term rating reflects ICRA's opinion that the company's credit profile will be supported by strong cash flow generation from its base business, coupled with a gradual improvement in the acquired business.

## Key rating drivers and their description

### Credit strengths

**Established position in the Russian ophthalmic drugs industry** – SPPL has an established track record of more than three decades in the Russian ophthalmic drugs industry and is positioned among the top two companies in that market with an established presence in the broader CIS region as well. It also benefits from the extensive experience of its promoters and its long relationships with the top distributors and ophthalmologists in Russia and the other CIS nations. This has helped SPPL navigate through various economical and geopolitical challenges in these geographies and maintain a healthy increase in its consolidated revenues from this business to more than Rs. 650 crore in FY2025 with a CAGR of around 20% over FY2021 to FY2025. The business also has a healthy profitability with an operating profit margin (OPM) of around 30% and more across most of this period. With its strong focus on R&D and regular product launches, the company is expected to continue to maintain its leadership position in the Russian market, going forward.

**Healthy financial profile** – A healthy cash flow generation and minimal dependence on external debt have aided SPPL in maintaining a strong financial profile, supported by robust leverage and coverage indicators and an adequate liquidity position. As on March 31, 2025, it had a total debt (including preference shares of Rs. 25 crore, subscribed by the promoters and classified as debt by ICRA) of around Rs. 240 crore with Total Debt/OPBDITA of 1.1 times and TOL/TNW of 0.6 times. Its liquidity position is also supported by expectations of healthy cash flow from operations, which is likely to improve gradually, and cash, cash equivalents and liquid investments of around Rs. 110.0 crore as on June 30, 2025, along with unutilised working capital facilities of around Rs. 70 crore as on March 31, 2025. The repayment obligations are relatively lower. While the company is expected to avail debt over the next two years to partly fund its planned capex of Rs. 400-450 crore over FY2026 and FY2027, the overall leverage levels are expected to remain comfortable.

### Credit challenges

**Recent acquisition of Akorn AG and expansion to regulated markets likely to moderate profitability and return indicators over the near-to-medium term** – Given the initial stage of business in the regulated markets and low capacity utilisation in the manufacturing facility in Switzerland, the acquired business continued to report losses in FY2025 as well. While on a consolidated basis, SPPL's OPM has improved to around 17.4% in FY2025 (as per provisional financials) against 4.5% in FY2024, the profitability remains suppressed compared to the OPM of around 30%, reported by the base business over the last few years, prior to the acquisition. While ICRA expects the profitability to improve gradually with the growth in the scale of the acquired business, the profitability and return indicators are likely to remain relatively lower over the near term, compared to the historical levels.

**High therapeutic concentration** – SPPL is focused on the ophthalmic therapy, which exposes the company to risks associated with high therapeutic concentration, including but not limited to event-based risks that can impact the growth rate, sales or the prices of drugs in the ophthalmic industry. However, the risk is partly mitigated by SPPL's established position in Russia and other CIS countries with a strong field force and established relationship with doctors and distributors.

**Exposure to regulatory risks and volatility in foreign exchange rates** – Like its peers, SPPL remains exposed to regulatory risks and litigations, including scrutiny by agencies like the USFDA and the Swissmedic. As most of its revenues are driven by exports, SPPL's profitability remains exposed to forex fluctuations.

### Liquidity position: Adequate

The liquidity position of SPPL is **adequate**, supported by expectations of a gradual improvement in cash flow generation (with expected cash flow from operations of more than Rs. 80 crore in FY2026), cash, cash equivalents and liquid investments of around Rs. 110 crore as on June 30, 2025 and unutilised working capital limits of around Rs. 70 crore as on March 31, 2025. Its cash flows are expected to remain sufficient to fund its relatively lower debt repayment obligations towards the existing term loans of around Rs. 75 crore as on March 31, 2025. The company is also expected to incur capex of around Rs. 400-450 crore over FY2026 and FY2027, which will be funded through internal accruals and debt.

## Rating sensitivities

**Positive factors** – The ratings can be upgraded if the company demonstrates a healthy growth in revenues and improvement in profitability and return indicators, while maintaining an adequate liquidity position.

**Negative factors** – The ratings can be downgraded in case of considerable pressure on revenues and earnings and/or higher than anticipated debt-funded capex, weakening the company’s debt protection metrics and liquidity position. Specific credit metric for ratings downgrade include Total debt/OPBDITA of more than 2.0 times, on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Pharmaceuticals</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SPPL. As on March 31, 2024, the company had two subsidiaries and eight stepdown subsidiaries, which are all enlisted in Annexure II.

## About the company

Incorporated in 1990 by Mr. Deepak Bahiri as Promed Exports and later renamed as Sentiss Pharma Private Limited, SPPL is focused on manufacturing and sales of branded and generic ophthalmic drugs across the globe, including, Russia and the CIS countries, US, Europe and the domestic market. In FY2025, Russia generated around 46% of SPPL’s revenues and the US generated around 30%. The remaining was contributed by the CIS nations (8%), the rest of Europe (14%), the domestic market (1%) and others (1%). The company has two manufacturing facilities, located at Baddi, Himanchal Pradesh and Switzerland.

## Key financial indicators

SPPL (consolidated)	FY2024	FY2025 (Provisional)
Operating income	862.2	1,266.6
PAT	-77.2	35.8
OPBDIT/OI	4.5%	17.4%
PAT/OI	-9.0%	2.8%
Total outside liabilities/Tangible net worth (times)	0.5	NA
Total debt/OPBDIT (times)	5.0	1.1
Interest coverage (times)	2.8	4.8

Source: Company, ICRA Research;; All ratios as per ICRA’s calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

### Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	July 30, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
<b>Fund based limits</b>	Long term	250.00	[ICRA]A (Stable)	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
<b>Long term - Fund-based limits</b>	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 - Term loan	Sep 2023	NA	Oct 2029	39.00	[ICRA]A(Stable)
NA	Fund-based - Working capital limits	NA	NA	NA	204.00	[ICRA]A(Stable)
NA	Proposed fund-based limits	NA	NA	NA	7.00	[ICRA]A(Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

Company name	SPPL ownership	Consolidation approach
<b>Subsidiaries</b>		
Sentiss AG, Uster	99.80%	Full consolidation
Sentiss Global DMCC	99.67%	Full consolidation
<b>Stepdown subsidiaries</b>		
Sentiss Russia	100.00%	Full consolidation
Sentiss Ukraine LLC	100.00%	Full consolidation
Sentiss Pharmaceuticals LLC	100.00%	Full consolidation
Sentiss Kazakhstan LLP	100.00%	Full consolidation
Sentiss Healthcare DMCC	98.67%	Full consolidation
Ophtapharm Holding AG	100.00%	Full consolidation
Ophtapharm AG	100.00%	Full consolidation
Dahlia Global Limited	100.00%	Full consolidation

Source: SPPL annual report FY2024

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ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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### Branches



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