

June 22, 2026

RPG Life Sciences Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Term Loan	35.00	30.00	[ICRA]A+ (Stable); reaffirmed
Long-term - Fund-based-Cash Credit	40.00	46.25	[ICRA]A+ (Stable); reaffirmed
Short-term – Non-fund based facilities - Others	25.92	0.00	-
Short-term - Interchangeable Limits	0.00	(18.20)	[ICRA]A1; reaffirmed
Total	100.92	76.25	

*Instrument details are provided in Annexure-II

Rationale

The ratings reaffirmation continues to factor in RPG Life Sciences Limited's (RPGLS) strong brand portfolio in the Indian pharmaceutical industry, its diversified and integrated operations with presence in regulated markets, and its financial flexibility for being a part of the RPG Group. The ratings also consider the company's resilient performance, as seen in a revenue growth of 8% in FY2026, supported by volume increase, steady contribution from new product launches, and sustained outperformance in the domestic formulations segment on the back of improved execution and strengthening of specialty therapies, despite a decline in revenues from the international formulations business in FY2026 due to inventory rationalisation by some key clients. RPGLS' operating profit margins moderated to 20.8% in FY2026 from 24.3% in FY2025, primarily on account of the fire-related production disruption in the active pharmaceutical ingredient (API) segment, leading to higher reliance on external sourcing, loss of backward integration benefits, and temporary inefficiencies during plant restoration and validation phase. However, its operating margin is expected to improve in FY2027, supported by higher captive API production, operating efficiencies, recovery in revenues from the international markets and a favourable product mix.

Ramp-up in revenues and increase in operating margins are expected to continue over the medium term, supported by new product pipeline across formulations and APIs, on the back of regular investments in R&D and market expansion, scale-up in specialty segments, recovery in the international formulations business, and strengthening API capabilities. Its capital structure and debt coverage metrics remain healthy due to limited reliance on external funding. The company's liquidity profile remains strong, marked by sufficient unutilised fund-based limits and healthy free cash and liquid investments of around Rs. 241 crore as on March 31, 2026. The company's working capital intensity rose in FY2026 with an increase in the receivable period owing to higher credit period extended to customers and higher stock piling as a strategic measure amid supply chain uncertainties. However, the working capital cycle is expected to remain stable, going forward. Nevertheless, any material changes in its liquidity profile due to any large capex or inorganic expansion will remain monitorable.

The ratings, however, remain constrained by RPGLS' moderate, albeit growing, scale of operations with the company deriving most of its revenues from a few top brands in its domestic formulations business, resulting in product concentration risks. However, ICRA notes that the company continues to focus on increasing its presence in existing geographies through new product launches and exploring new markets. For this, RPGLS has modernised both its manufacturing plants and secured approvals from a few key regulators in FY2026. The company also plans to apply its Ankleshwar (Gujarat) formulations facility for approval under 'The Pharmaceutical Inspection Co-operation Scheme' (PIC/S). Successful execution of these approvals and the ability of the company to grow its scale from the present level remain important from a credit perspective. RPGLS is exposed to regulatory risks and timely renewal of approvals from respective regulatory bodies, like other pharmaceutical

entities. ICRA will continue to monitor the developments regarding the approval of manufacturing facilities by various health regulators and its likely impact on RPGLS. ICRA also notes the relatively higher share of acute therapies in the company's portfolio, coupled with exposure to the Drugs Prices Control Order (DPCO) segment. The company is, however, looking to launch new products to provide better stability to cash flows and insulation against input price fluctuations, to an extent. ICRA notes that the company's exposure to the ongoing West Asia conflict remains limited, with higher freight and logistics costs being partially passed on to international customers. However, any further supply chain disruptions remain monitorable.

The Stable outlook reflects ICRA's opinion that RPGLS will continue to witness an increasing scale of operations, led by launches of new products and expansion in international geographies while maintaining healthy operating margins. ICRA also expects the company's capital structure to remain conservative due to healthy cash accruals vis-à-vis limited capex and a stable working capital cycle, going forward, limiting reliance on borrowing.

Key rating drivers and their description

Credit strengths

Strong brands in the Indian pharmaceutical industry – The company's domestic formulations business benefits from its strong brands, which continue to enjoy healthy market share in their respective therapeutic segments. It operates in various therapeutic areas, which include nephrology (immunosuppressants), gastro-intestinal (anti-diarrheal), pain management, oncology, rheumatology, cardio-vascular treatments etc. The domestic formulations business continues to be its major revenue driver, accounting for around 69% of total revenue in FY2026.

Robust capital structure and strong debt servicing indicators; enjoys financial flexibility for being a part of the RPG Group – Adequate retained cash flows and unencumbered cash and liquid investments limit RPGLS' dependence on external debt. With its limited debt on books and healthy operating performance, it has a robust capital structure and coverage metrics. Further, the company enjoys financial flexibility for being a part of the RPG Group. ICRA, however, will continue to monitor the usage of free cash, including any inorganic expansion and will assess the impact on RPGLS' credit profile, in case of any material change in its liquidity profile.

Expansion of product portfolio and geographical presence augur well for growth prospects – RPGLS launched 11 new products in FY2026 in its domestic formulations business. Sales from new products in domestic formulation have been inching up in terms of the overall share and stood at around 24% of total sales for all launches since FY2018. ICRA notes the company's focus on increasing its presence in existing geographies through new product launches in niche categories, and on exploring new markets. Successful execution of these plans and their impact on the company's revenue growth and profitability are key rating monitorable factors.

Healthy operating margins – The company's operating profit margin remained healthy, despite a moderation to 20.8% in FY2026 from 24.3% in FY2025, primarily on account of the fire-related production disruption in the API segment. Its strong market position in some of the products and markets supports profitability, though around one-third of the product portfolio in the domestic market is exposed to price control regulations. The fire incident resulted in higher reliance on external sourcing, loss of backward integration benefits, and temporary inefficiencies during the plant restoration and validation phase. However, the operating margin is expected to gradually improve, supported by increasing captive API production, improvement in operating efficiencies, recovery in revenues from international markets, and a favourable product mix.

Credit challenges

Moderate scale of operations with dependence on few products – Although growing, RPGLS' scale of operations is moderate. It is a mid-sized player among its peers in the Indian pharmaceutical industry, which limits its competitiveness in the market. ICRA also notes that the company derives most of its revenues from a few top brands in its domestic formulations business, resulting in product concentration risk. While the share of acute therapies still remains significant, the same has been gradually declining, with the company undertaking initiatives to diversify into chronic segments to improve stability of its cash flow over the medium term.

Regulatory risks related to approvals and compliances – The company operates in the pharmaceutical space, which is highly regulated and subject to specific regulatory approvals as per operating territories. The company holds European Union Good Manufacturing Practice (EU GMP), World Health Organization Good Manufacturing Practices (WHO GMP), Therapeutic Goods Administration (TGA) Australia, Pharmaceuticals and Medical Devices Agency (PMDA) Japan, and Narcotic Drugs and Psychotropic Substances (NDPS) certifications, which are reviewed on a periodic basis by the respective regulatory agencies. Any suspension of these certifications can impact RPGLS' exports to these regulated and semi-regulated markets. ICRA will continue to closely monitor the developments regarding approvals for the company's manufacturing facilities by various health regulators and their likely impact on RPGLS.

Susceptibility of margins to raw material price fluctuations – The key raw materials and intermediates for some of the products in the company's portfolio are dependent on imports and, hence, its margins are susceptible to volatility in raw material prices. Also, about 33% of the company's portfolio is under the Drugs Prices Control Order (DPCO) and National Pharmaceutical Pricing Authority (NPPA) regulations, effectively capping the pass through of increase in input costs. However, comfort is taken from the adequate stocking of raw materials to assuage any volatility in raw material prices and the company's efforts towards launching new products in the non-DPCO space to reduce the share of DPCO coverage in its product portfolio.

Environmental and social risks

Environmental considerations: The pharmaceutical industry is exposed to environmental risks arising from increasingly stringent environmental regulations related to waste management, effluent discharge and emission norms. Any non-compliance with such regulations may lead to regulatory penalties, operational disruptions and higher compliance costs. Additionally, tightening environmental standards may necessitate incremental capital expenditure towards pollution control infrastructure, which can increase operating and capital intensity. Further, evolving global regulatory frameworks also pose challenges in terms of entry barriers into new geographies and markets, particularly for regulated markets requiring adherence to strict environmental norms.

Social considerations: The industry faces social risks related to product quality and safety, which can expose companies to litigation or reputational risks. It is also dependent on the availability of skilled personnel, particularly in areas such as research and development, manufacturing and quality assurance. Given significant social implications, pharmaceutical companies are subject to strict regulatory oversight on manufacturing practices and product approvals, requiring continuous adherence to quality and compliance standards. Government interventions, including price controls and caps on certain pharmaceutical products, also remain a key industry risk, which can impact profitability.

Liquidity position: Strong

The company's liquidity remains Strong. RPGLS' cash flow from operations (CFO) is expected to remain healthy (Rs. 62 crore in FY2026) in the near term. The company's working capital intensity increased over the last two fiscals, however, the same is likely to remain under control, going forward, supporting CFO. RPGLS has significant cushion available in the form of undrawn working capital limits of Rs. 34 crore as on March 31, 2026. Moreover, the company had free cash and liquid investments to the tune of Rs. 275 crore as on March 31, 2026, while the capex is likely to remain limited (around Rs. 40 crore annually) in the near term, in the absence of any immediate major expansion plans. Further, the company enjoys financial flexibility for being a part of the RPG Group.

Rating sensitivities

Positive factors – The ratings may be upgraded in case of a significant growth in the company's scale of operations, aided by expansion of geographical footprint and success of new product launches while maintaining healthy profitability as a part of the domestic products' exposure to price control regulations. The company's ability to keep the working capital cycle under control would also be an imperative for ratings upgrade.

Negative factors – Pressure on RPGLS’ ratings could arise if there is a sustained deterioration in the company’s scale of operations and earnings due to increased competition, adverse regulatory developments relating to products or manufacturing operations, etc. Further elongation of its working capital cycle, adversely impacting earnings and cash flow from operations or any major debt-funded capex/large inorganic expansion, weakening the liquidity and credit metrics will also be negative rating triggers. Specific credit metric of total debt vis-à-vis the operating profit before depreciation, interest, taxes and amortisation) above 2.0 times on a sustained basis, would also put pressure on RPGLS’ ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceutical
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the consolidated financial profile of the company. Refer to Annexure III for the list of entities considered for consolidation.

About the company

RPG Life Sciences Limited, a part of RPG Enterprises, is an integrated pharmaceutical company, operating across domestic and international markets in the branded formulations, global generics and API spaces. With manufacturing facilities in Ankleshwar (Gujarat) and Navi Mumbai (Maharashtra), RPGLS has presence in various therapeutic areas such as nephrology, cardiovascular, gastro-intestinal and pain management, with strong domestic brands such as Naprosyn, Lomotil, Azoran, Aldactone, Tricaine etc. The company’s business operations are divided into three business segments — domestic formulations, international formulations, and APIs. Its domestic formulations business comprises the branded generics market of India (earlier also included the rest of world [RoW] markets, which was clubbed with international formulations with effect from FY2014). Its international formulations division caters to the developed markets and RoW markets (included only developed markets till FY2013). Earlier, RPGLS was also involved in manufacturing biotech APIs. However, it exited the same by selling its biotech unit on a slump sale to Intas Pharmaceuticals Limited on May 26, 2016, for a consideration of Rs. 25.0 crore.

The Board of Directors of the Company, at its meeting held on December 15, 2025, approved the transfer of the API division, to its wholly-owned subsidiary, RPG Active Pharma Limited, which was incorporated on December 24, 2025, subject to receipt of all requisite consents. The company expects the transaction to be concluded upon receipt of the requisite approvals and completion of customary conditions precedent.

Key financial indicators (audited)

RPGLS Consolidated	FY2025	FY2026
Operating income	653.4	707.5
PAT	183.2	115.2
OPBDIT/OI	24.3%	20.8%
PAT/OI	28.0%	16.3%
Total outside liabilities/Tangible net worth (times)	0.2	0.3
Total debt/OPBDIT (times)	0.0	0.1
Interest coverage (times)	100.0	165.3

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

Current ratings (FY2027)				Chronology of rating history for the past 3 years					
				FY2026		FY2025 [^]		FY2024	
Instrument	Type	Amount rated (Rs. crore)	June 22, 2026	Date	Rating	Date	Rating	Date	Rating
Term loan	Long-term	30.00	[ICRA]A+ (Stable)	April 04, 2025	[ICRA]A+ (Stable)	-	-	March 06, 2024	[ICRA]A+ (Stable)
Fund-based-Cash Credit	Long-term	46.25	[ICRA]A+ (Stable)	April 04, 2025	[ICRA]A+ (Stable)	-	-	March 06, 2024	[ICRA]A+ (Stable)
Non-fund Based Facilities - Others	Short-term	0.00	-	April 04, 2025	[ICRA]A1	-	-	March 06, 2024	[ICRA]A1
Interchangeable Limits	Short-term	(18.20)	[ICRA]A1	-	-	-	-	-	-

[^]Long-term rating in FY2025 was [ICRA]A+(Stable) and Short-term rating was [ICRA]A1

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term - Term Loan	Simple
Long-term - Fund-based-Cash Credit	Simple
Short-term - Interchangeable Limits	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 II: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan	FY2026	NA	FY2029	30.00	[ICRA]A+ (Stable)
NA	Fund-based-Cash Credit	NA	NA	NA	46.25	[ICRA]A+ (Stable)
NA	Interchangeable Limits	NA	NA	NA	(18.20)	[ICRA]A1

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company Name	Ownership*	Consolidation Approach
RPG Active Pharma Limited	100.00%	Full Consolidation

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