July 28, 2026

Kashiv Research Private Limited: [ICRA]BB+(Stable) assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action	Financial sector regulator#
Issuer rating	-	[ICRA]BB+(Stable); assigned	-$
Total	-		

**Instrument details are provided in Annexure I*

#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.
$ 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.

Rationale

The rating assigned to Kashiv Research Private Limited (KRPL) favourably factors in its strong parentage, being a step-down subsidiary of Kashiv Biosciences, LLC (KBLLC), a fully integrated biopharmaceutical company focused on the development and manufacturing of biosimilars. The company also benefits from the extensive experience of its promoters and senior management in the pharmaceutical industry and its strong operational linkages with Amneal Pharmaceuticals, Inc. (Amneal), partly emanating from the common promoter Group (Mr. Chirag Patel and Mr. Chintu Patel). Amneal, a leading US generic pharmaceutical company with a global presence, acts as the primary licensing partner for the Kashiv Group and is responsible for the sales of its products in the US.

The rating also factors in the strong product profile of KRPL's ultimate parent, KBLLC, with several advanced-stage biosimilar opportunities and a diversified product portfolio targeting around 30 products by CY2030. The manufacturing facility being developed under KRPL has been partially commissioned and is currently manufacturing validation batches of biosimilars, with commercial sales expected to commence in March 2027. Moreover, orders have already been placed for the equipment required for the remaining suites, and the development shall be completed gradually as sales scale up over FY2028. Upon receipt of the necessary approvals, KRPL shall act as a captive manufacturing unit for KBLLC with an assured offtake arrangement and a cost-plus-mark-up business model, which shall ensure adequate cash flow generation to meet its debt servicing obligations.

The rating, however, is constrained by KRPL's exposure to project-related risks, such as timely execution and cost overruns, given that it is setting up a greenfield facility for the manufacturing of biosimilars. While the first two manufacturing suites have been commissioned, the company is yet to achieve a meaningful scale-up as it is currently manufacturing validation batches. Moreover, the key proposed products are currently awaiting approval from the United States Food and Drug Administration (USFDA), and timely and successful product approvals remain critical for the company to achieve a meaningful scale-up in its revenues. Further, as the project is being partially funded through debt, repayment obligations and interest costs during the initial years are likely to keep the capitalisation and coverage indicators at moderate levels as operations scale up gradually.

ICRA notes the proposed acquisition of Kashiv Biosciences, LLC by Amneal Pharmaceuticals, Inc. for a consideration that includes $375 million in cash and $375 million in equity payable at closing, plus up to $350 million in potential payments based on the achievement of certain regulatory milestones, potential royalties based on commercial milestones, and funding of operations through closing. The acquisition shall provide a strong platform for Kashiv Biosciences, LLC to commercialise its products. ICRA also notes that the transaction is subject to the receipt of the necessary regulatory and shareholder approvals and shall continue to monitor the developments and assess their impact on KRPL's credit profile.

The Stable outlook on the rating reflects ICRA's opinion that the company is expected to witness a steady scale-up of its operations after commissioning, aided by a healthy market opportunity and a favourable demand outlook for its products.

Credit strengths

Strong parentage with established global linkages – KRPL is a step-down subsidiary of KBLLC, which is headquartered in Piscataway, New Jersey, with global operations spanning the United States and India. KBLLC is promoted by Mr. Chirag Patel and Mr. Chintu Patel, who have extensive experience in the pharmaceutical industry and are the primary shareholders of Amneal, one of the leading US generic pharmaceutical companies with a global presence.

Healthy product pipeline with favourable industry tailwinds – KRPL is acting as KBLLC's captive unit for manufacturing its biosimilars. Thus, KRPL shall benefit from being the key manufacturing unit for KBLLC, which has a healthy pipeline of biosimilars targeting 30 products by CY2030. The business is also expected to benefit from industry tailwinds owing to a large patent cliff for biologics between CY2025 and CY2034, with a total market opportunity of more than $200 billion[1].

Assured offtake and cost-plus business model provide revenue and earnings visibility – KRPL has strong revenue and earnings visibility on account of its assured offtake arrangement under a cost-plus business model with its ultimate parent, KBLLC. As per the agreement, KBLLC shall pay KRPL a fixed mark-up over and above the manufacturing cost (including depreciation), which shall aid KRPL's cash flow generation even with a lower-than-expected scale-up and strengthen its repayment capability.

Credit challenges

Exposure to project implementation and stabilisation risks – KRPL remains exposed to project-related risks such as time and cost overruns, since its manufacturing facility is currently under construction. Further, the timely completion of the stability studies and the satisfactory scale-up of operations also remain key monitorables for the improvement of its financial profile.

Moderate credit metrics during initial years due to debt-funded capex – The total project cost of around Rs. 1,017.1 crore (including contingency costs) is proposed to be funded through a term loan of Rs. 648.4 crore from Union Bank of India, with the balance to be funded through promoter equity. The repayment obligations and interest costs during the initial years are expected to suppress the capitalisation and coverage indicators, as KRPL's operations are expected to scale up gradually.

Dependence on regulatory approvals for key products – Considering that the US is the key market of focus for the Group, the necessary approvals, including product approvals from the USFDA, remain critical for the desired scale-up in revenues. The initial set of products proposed to be manufactured by KRPL is currently awaiting USFDA filing/approval, and the timely receipt of these approvals remains critical for the company's operations.

Liquidity position: Adequate

KRPL's liquidity position is **adequate**. It is undertaking a sizeable debt-funded capex of around Rs. 1,000 crore for setting up its manufacturing facility. The ultimate parent has infused a large part of its funding contribution towards the capex, and the term loan has already been sanctioned. In case of any considerable delay in the loan disbursement or any material cost overruns, the promoters/ultimate parent are expected to provide incremental funding support to complete the project.

Rating sensitivities

Positive factors – ICRA may upgrade KRPL's rating if the entity is able to demonstrate a steady ramp-up of operations following the commissioning of the facility, along with an improvement in the credit profile of its parent.

[1] *Source: IQVIA Institute report*

Negative factors – Pressure on KRPL's rating could arise if there is a considerable delay in the commissioning of the project, material cost overruns, or lower-than-expected scaling up of operations following the commissioning of the project. A lack of timely and adequate financial support from the parent entity or a deterioration in its credit profile might also lead to a rating downgrade for KRPL.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	The rating assigned to KRPL factors in the high likelihood of its parent, Kashiv Biosciences Private Limited (KBPL), extending need-based financial support because of the close business linkages between them. ICRA expects KBPL to be willing to extend financial support to KRPL to protect its reputation from the consequences of a group entity's distress.
Consolidation/Standalone	Standalone

About the company

KRPL is a wholly owned subsidiary of KBPL, which operates as an R&D unit in the biosimilars segment for its parent, KBLLC. It is currently developing a manufacturing facility in Pipan, near Ahmedabad (Gujarat), for the manufacturing of biosimilars. Once completed, the company will manufacture biosimilar products for its ultimate parent. KBLLC, in turn, shall out-license these biosimilars to pharmaceutical companies across the globe, with US sales primarily expected to be out-licensed to its Group company, Amneal.

The total cost of the project under KRPL is Rs. 1,017.1 crore, of which Rs. 386.5 crore had already been incurred as of April 2026. The cost is proposed to be funded by a term loan of Rs. 648.4 crore from the Union Bank of India, with the balance to be funded through promoter equity. The project is being completed in a phased manner and is planned to have a total of eight suites, of which two suites have already been completed and commissioned and are currently manufacturing validation batches. The remaining suites are also being developed in a phased manner.

Key financial indicators (audited)

KRPL (standalone)	FY2024	FY2025
Operating income	-	-
PAT	-1.3	-1.7
OPBDIT/OI	-	-
PAT/OI	-	-
Total outside liabilities/Tangible net worth (times)	52.6	-607.1
Total debt/OPBDIT (times)	-452.6	-633.3
Interest coverage (times)	- 0.1	- 0.2

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
Note: The company is currently at the project stage and commercial operations are yet to commence

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	**Type**	**Amount rated (Rs. crore)**	**July 28, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Issuer rating	Long term	-	[ICRA]BB+(Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Issuer rating	Not applicable

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	Financial sector regulator#
NA	**Issuer rating**	NA	NA	NA	-	[ICRA]BB+ (Stable)	-$

Source: Company

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Annexure II: List of entities considered for consolidated analysis – Not applicable

ANALYST CONTACTS

Jitin Makkar
+91 124 4545 368
jitinm@icraindia.com

Kinjal Shah
+91 022 6114 3442
kinjal.shah@icraindia.com

Deepak Jotwani
+91 124 4545 870
deepak.jotwani@icraindia.com

Gaurav Kushwaha
+91 40 6939 6405
gaurav.kushwaha@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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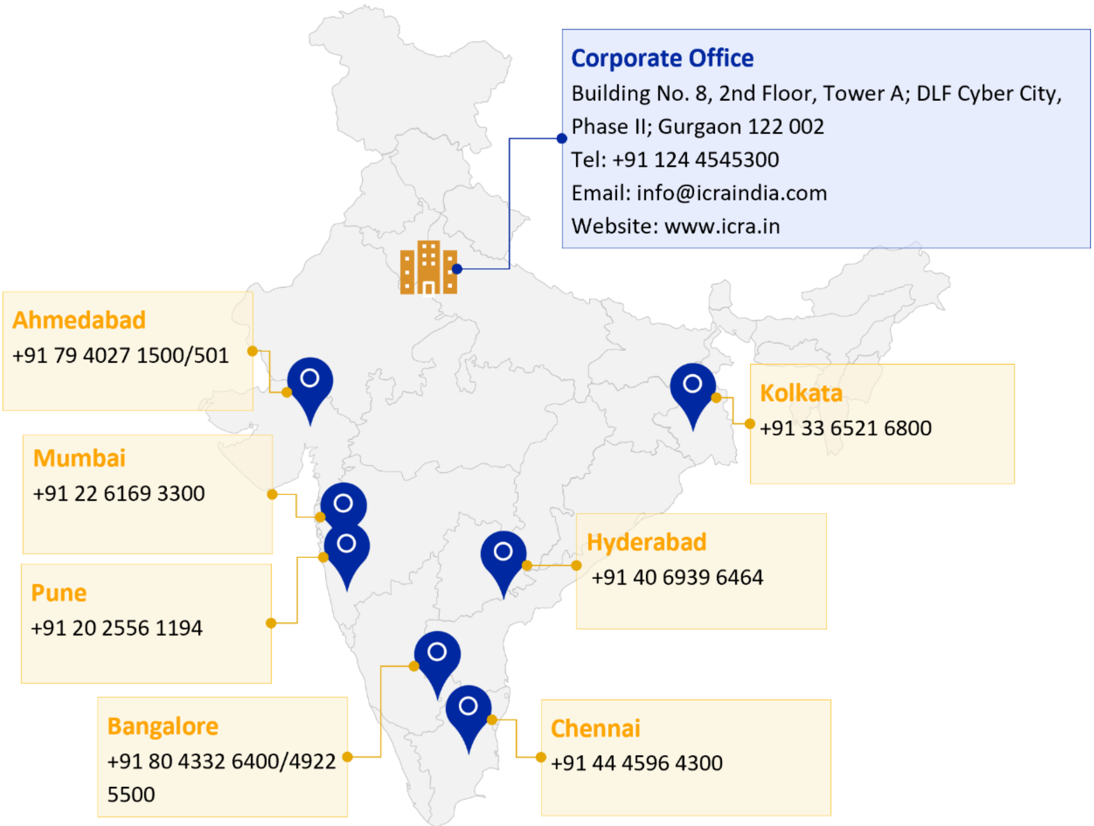
ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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