August 07, 2026

RPG Life Sciences Limited: Update on material event

Summary of rating(s) outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding	Financial sector regulator#
Long-term - Term Loan	30.00	30.00	[ICRA]A+ (Stable)	RBI
Long-term - Fund-based-Cash Credit	46.25	46.25	[ICRA]A+ (Stable)	RBI
Short-term - Interchangeable Limits	(18.20)	(18.20)	[ICRA]A1	RBI
Total	**76.25**	**76.25**		

Instrument details are provided in Annexure I

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR will not be available for activities and instruments, which fall under the regulatory purview of financial sector regulators other than SEBI.

Rationale

Material event

On July 29, 2026, RPG Life Sciences Limited (RPGLS) announced a strategic restructuring of its active pharmaceutical ingredients (API) business through the transfer of the business segment to its wholly-owned subsidiary, RPG Active Pharma Limited (RPGAP), on a slump-sale basis, for a consideration of Rs. 33.55 crore, to be completed by September 30, 2026. Concurrently, India Life Sciences Fund IV Domestic and Vistaject Fund will invest Rs. 243.33 crore in RPGAP by September 2026, for an approximately 40% stake, with an overall commitment of up to Rs. 700 crore towards future organic and inorganic growth opportunities. Besides, RPGAP has entered into an agreement to acquire a 100% stake in Actis Generics Private Limited, an entity based in Visakhapatnam and involved in bulk drug intermediates, for a consideration of Rs. 80 crore, to be completed by November 15, 2026.

Impact of the material event

The creation of a dedicated API platform under RPGAP, supported by the proposed capital commitment of up to Rs. 700 crore by the external investors (including the initial investment of Rs. 243.3 crore in RPGAP) along with the expected equity infusion by RPGLS to retain its majority shareholding in RPGAP, is expected to enhance the Group's ability to pursue inorganic growth opportunities and expand its API business. RPGLS' API segment reported revenues of Rs. 95.1 crore in FY2026, contributing around 13.5% to the company's consolidated turnover, and generated an operating profit margin (OPM) of around 40%. Actis Generics, the entity proposed to be acquired by RPGAP, had revenues of around Rs. 48 crore in FY2025 and OPM of around 20%. Given the limited overlap between the product offerings of RPGAP and Actis Generics, the acquisition is expected to broaden the product portfolio and enhance business diversification. In addition, RPGAP is evaluating more acquisitions. These are expected to strengthen RPGAP's presence in the API business through access to a complementary portfolio of APIs and established customer relationships, providing scope for growth in both domestic and export markets.

These acquisitions are not expected to adversely impact the consolidated leverage and liquidity profile of RPGLS, given the proposed equity infusion by investors. However, the eventual credit impact will depend on factors such as the size of future acquisitions, the evolution of the shareholding pattern of RPGAP, integration of these acquisitions and realisation of business synergies. Besides, the business and financial risk profiles of other acquiree entities, including their customer concentration, product diversification, regulatory track record and earnings profile relative to the transaction values, will remain key monitorables.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: Click here

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.

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	Q1 FY2027*
Operating income	653.4	715.4	195.7
PAT	183.2	115.2	30.8
OPBDIT/OI	24.3%	21.8%	22.1%
PAT/OI	28.0%	16.1%	15.7%
Total outside liabilities/Tangible net worth (times)	0.2	0.3	-
Total debt/OPBDIT (times)	0.0	0.1	-
Interest coverage (times)	100.0	88.1	68.7

*Source: Company, ICRA Research; *Limited review; All ratios as per ICRA's calculations; Amount in Rs. crore*

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation, ^ In FY2025, the company did not have any subsidiary

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							
				FY2027		FY2026		FY2025^		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Aug 07, 2026	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long term	30.00	[ICRA]A+ (Stable)	Jun 22, 2026	[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)	Jun 22, 2026	[ICRA]A+ (Stable)	April 04, 2025	[ICRA]A+ (Stable)	-	-	March 06, 2024	[ICRA]A+ (Stable)
Non-fund Based Facilities - Others	Short term	-	-	-	-	April 04, 2025	[ICRA]A1	-	-	March 06, 2024	[ICRA]A1
Interchangeable Limits	Short term	(18.20)	[ICRA]A1	Jun 22, 2026	[ICRA]A1	-	-	-	-	-	-

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

Complexity level of the rated instrument

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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
NA	**Term Loan**	FY2026	NA	FY2029	30.00	[ICRA]A+ (Stable)	RBI
NA	**Fund-based-Cash Credit**	NA	NA	NA	46.25	[ICRA]A+ (Stable)	RBI
NA	**Interchangeable Limits**	NA	NA	NA	(18.20)	[ICRA]A1	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
RPG Active Pharma Limited	100.00%	Full Consolidation

Source: FY2026 annual report

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