September 11, 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

RPG Life Sciences Limited (RPGLS), on September 2, 2026, announced acquisition of the active pharmaceutical ingredients (API) and intermediates business of Raghava Life Sciences Private Limited, through RPGLS' subsidiary, RPG Active Pharma Limited (RPGAP) for a consideration of Rs. 135 crore.

Impact of the material event

The proposed acquisition is in line with the strategy articulated by RPGLS' management to expand the API business through RPG Active Pharma Limited (RPGAP). Further, the acquisition is proposed to be funded entirely through funds infused by private equity investors and does not entail any incremental debt. Earlier, on July 29, 2026, the company had announced the creation of a dedicated API platform under RPGAP, supported by capital infusion from private equity (PE) investors (initial investment of Rs. 243.33 crore for a stake of 40% in RPGAP and proposed cumulative investment up to Rs. 700 crore for inorganic and organic expansion of the API business). Simultaneously, the company had announced acquisition of Actis Generics, an entity involved in API business, for Rs. 80 crore.

The proposed acquisition of the API and intermediates business undertaking of Raghava Life Sciences Private Limited represents another step in RPG Active Pharma Limited's acquisition-led growth strategy for the API business. The transaction is expected to strengthen the scale of operations through access to an EU-GMP and WHO-GMP approved manufacturing facility near Hyderabad, a diversified portfolio of 29 molecules (including seven under development), established customer relationships and additional regulatory approvals. Further, the acquisitions announced would provide access to a complementary portfolio of niche intermediates and export expansion opportunities, which could strengthen the API segment's scale and diversification over the medium term. While the acquisitions are expected to strengthen the business profile of the API platform over the medium term, the ability to successfully integrate the acquired operations, improve capacity utilisation and achieve the envisaged revenue and profitability benefits will be closely monitored.

Additionally, the proposed funding commitment of up to Rs. 700 crore from external investors provides significant financial flexibility to pursue further acquisitions and growth initiatives with a sharper strategic focus on the API business, without affecting RPGLS' consolidated capital structure and liquidity. The acquisitions have the potential to improve the company's business scale, competitive positioning and growth trajectory without impacting the financial leverage and liquidity, subject to timely completion and successful integration of the proposed/planned acquisitions. Nevertheless, the overall operational and financial contour of the consolidated entity post such acquisitions is yet to unfold as more clarity on the product portfolio, geographical presence, earnings profile and expected business synergies are awaited. ICRA will continue to monitor the developments in these regards.

Please refer to the following link for the previous detailed rationale that captures the Key rating drivers and their description, Liquidity position, Environmental and social risks and 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 and other 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	24.6%	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)	101.0	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)**	**Sept 11, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Term loan	Long term	30.00	[ICRA]A+ (Stable)	Jun 22, 2026 Aug 07, 2026	[ICRA]A+ (Stable) [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 Aug 07, 2026	[ICRA]A+ (Stable) [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 Aug 07, 2026	[ICRA]A1 [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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