

October 08, 2026

Sentiss Pharma Private Limited: Long-term rating upgraded to [ICRA]A+(Stable); short-term rating assigned; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator [#]
Long-term/ short-term – Fund-based/ non fund based limits	-	425.00	[ICRA]A+ (Stable); upgraded from [ICRA] A (Stable) and assigned for enhanced amount; [ICRA]A1 assigned	RBI
Long-term – Fund-based limits	250.00	-	-	RBI
Long-term – Fund-based term loans	-	175.00	[ICRA]A+ (Stable); upgraded from [ICRA] A (Stable) and assigned for enhanced amount	RBI
Total	250.00	600.00		

*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.

Rationale

The rating upgrade for Sentiss Pharma Private Limited (SPPL) factors in the expected improvement in its operational and financial profile aided by stabilisation of Ophtapharm AG's¹ operations, change in the sales distribution model in the US and the resultant expected scale up in the business. This is also expected to further improve SPPL's geographical diversification, partly mitigating the risks associated with its Russian business amid a volatile global geopolitical environment. Earlier, SPPL's revenues were concentrated in Russia and the broader CIS² region, driving 95% of its revenues in FY2023; thereafter, the concentration reduced to around 62% in FY2026 following the acquisition of Akorn AG in June 2023, partly mitigating the concentration risks. SPPL also benefits from its established position as a leading player in the ophthalmic drugs market in Russia and the broader CIS region. It 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.

The company registered revenue of Rs. 1,423.8 crore in FY2026 with a 15.9% growth year-on-year (YoY) aided by a 34.3% growth in its revenues from semi-regulated markets (base business, driven by Russia and CIS markets) to Rs. 977.3 crore even as revenues from regulated markets (driven by sales in the US) moderated slightly to Rs. 517.3 crore (-6.3% YoY). However, the reduction in sales in the US was primarily driven by a change in the distribution model from a third-party distributor-led model to a direct commercial model through its wholly owned subsidiary, Sentiss Pharmaceuticals LLC, USA. While this impacted primary sales as the previous distributor destocked its inventory, secondary sales remained healthy. With the change in the distribution model, expected new product launches (including through in-licensing agreements) and contract manufacturing opportunities, the company is likely to see healthy growth in the US over the medium term.

The ratings also factor in SPPL's healthy financial profile characterised by a healthy profitability from the base business and expected improvement in profitability from the regulated markets business, which is expected to aid in sustenance of an adequate liquidity position, and healthy capitalisation and coverage indicators. SPPL registered an operating profit margin

¹ Ophtapharm AG houses the manufacturing facility in Switzerland, which manufactures products for the US and European markets. It was part of SPPL's acquisition of Akorn AG in June 2023.

² Commonwealth of Independent States

(OPM) of 17.0% in FY2026 (14.8% in FY2025) supported by an OPM of 39.0% in the base business, despite considerable operating losses in the US market. This was on account of investments in strengthening the sales and marketing team in this region and provisioning more than Rs. 50 crore for the write-off of the inventory due to change in the distribution model. Moreover, the US business achieved breakeven in Q1 FY2027 and is expected to witness steady improvement in profitability over the medium term. SPPL had leverage (as measured by total debt/OPBDITA) of 1.3 times as on March 31, 2026. While the total debt is likely to increase for partially funding its planned capital expenditure (capex) of around Rs. 400 crore over FY2027 and FY2028, its leverage is expected to remain comfortable at around 1.5 times over FY2027, with expectations of further improvement over FY2028 and FY2029, aided by estimated improvement in profitability.

The ratings, however, are constrained by SPPL's high therapeutic concentration, being focused on the niche ophthalmic industry. However, its leading position in the ophthalmic industries of its key markets and a strong brand recall mitigate the risk to a certain extent. The company also has a high working capital intensity with an NWC/OI³ of 31.6% in FY2026. Like its peers, the company also remains exposed to regulatory risks, including scrutiny by regulatory agencies (like the USFDA⁴) and other litigations, such as product liability and other commercial matters, especially in the US. Any developments in this regard shall 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 is positioned among the top two companies in the Russian ophthalmic drugs industry with a leading presence in the broader CIS region as well. It also benefits from the extensive experience of its promoters and its enduring relationships with the top distributors and ophthalmologists in Russia and other CIS nations. This has helped SPPL navigate through various economical and geopolitical challenges in these geographies and sustain a healthy revenue growth in its base business. SPPL's revenues from the base business grew by 34.3% to Rs. 977.3 crore in FY2026, partly aided by the appreciation of the Ruble. However, the constant currency revenue growth also remained healthy at 11.2%. The base business also has a healthy profitability with an OPM of 39.0% in FY2026 and 33.4% in FY2025. The improvement in profitability over FY2026 was partly driven by foreign exchange (forex) benefits.

Healthy financial profile – SPPL has a healthy financial profile characterised by a healthy cashflow from operations, adequate liquidity position and string debt protection metrics. Despite operating losses in the regulated market business since SPPL's acquisition of Akorn AG, it has maintained a healthy profitability and cashflow generation at a consolidated level driven by the strong fundamentals of its base business. SPPL's leverage stood at 1.3 times for FY2026 and is expected to improve over the medium term aided by expected improvement in the scale and profitability of the consolidated business, driven by improvement in the business in regulated markets.

Improving geographical diversification – In June 2023, SPPL acquired a Swiss ophthalmic formulations manufacturing entity—Akorn AG—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 in Switzerland and approval by the USFDA, resulting in a significant reduction in its geographical concentration. As a result, its share of sales revenue in Russia has reduced to 54% in FY2026 from 84% in FY2023. With the expected improvement in profitability of the regulated market business, the increased diversification is expected to benefit SPPL by partly mitigating the risks arising out of its high dependence on the Russian

³ Net working capital/ operating income

⁴ United States Food and Drugs Administration

market. The company is also working towards scaling up its business in the domestic and emerging markets, which is expected to further diversify its revenues.

Credit challenges

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 forex rates – Similar to its peers, SPPL is exposed to regulatory risks and litigations, including scrutiny by agencies like the USFDA and the Swissmedic. It is also exposed to other litigations, such as product liability and other commercial matters, especially in the US. Moreover, most of SPPL's revenues are driven by exports, exposing its earnings to volatility in forex fluctuations.

Liquidity position: Adequate

The liquidity position of SPPL is adequate, supported by a healthy cashflow from operations, cash, cash equivalents and liquid investments of around Rs. 275.1 crore and unutilised working capital limits or around Rs. 96.2 crore as on August 31, 2026. The company is expected to incur a capex of around Rs. 400 crore over FY2027 and FY2028, which shall be funded partially through internal accruals/ existing liquidity and balance through debt (already secured sanctions of around Rs. 217.5 crore). Its cashflows are expected to remain adequate to fund its repayment obligations of around Rs. 9.1 crore in FY2027 and more than Rs. 20.0 crore in FY2028.

Rating sensitivities

Positive factors – ICRA could upgrade SPPL's ratings if the company sees strong growth in revenue and profitability, as its US business scales up and supplements the growth, resulting in strengthening of its liquidity position and debt protection metrics.

Negative factors – The ratings can be downgraded in case of a sustained pressure on SPPL's revenues and earnings and/or a higher-than expected debt-funded capex resulting in deterioration in the credit metrics. A specific metric that could cause a downgrade of SPPL's ratings is if the total debt/OPBDITA is above 1.5 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of SPPL.

About the company

Incorporated in 1990 by Mr. Deepak Bahri as Promed Exports and later renamed as Sentiss Pharma Private Limited, SPPL is focused on the manufacturing and sales of branded and generic ophthalmic drugs across the globe, including, Russia and the CIS region, the US, rest of Europe, and the domestic market. In FY2026, Russia generated around 54% of SPPL's revenues and the US generated around 24%. The remaining was contributed by the CIS nations (8%), the rest of Europe (13%), the other markets (1%). The company has two manufacturing facilities, one each at Baddi, Himanchal Pradesh, and Switzerland.

Key financial indicators (audited)

SPPL (consolidated)	FY2025	FY2026
Operating income	1,228.6	1,423.8
PAT	35.8	159.7
OPBDIT/OI	14.8%	17.0%
PAT/OI	2.9%	11.2%
Total outside liabilities/Tangible net worth (times)	0.6	0.6
Total debt/OPBDIT (times)	1.4	1.3
Interest coverage (times)	4.1	3.9

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 (FY2027)				Chronology of rating history for the past 3 years					
				FY2027	FY2026	FY2025	FY2024		
Instrument	Type	Amount rated (Rs. crore)	October 08, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based limits	Long term	-	-	July 30, 2025	[ICRA]A (Stable)	-	-	-	-
Term loans	Long term	175.00	[ICRA]A+ (Stable)	-	-	-	-	-	-
Fund based/ non-fund based limits	Long term/ short term	425.00	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based term loans	Simple
Long-term/ short-term Fund-based non fund based 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	Fund-based Term loan	March 2026	7.95%	June 2034	87.50	[ICRA]A+ (Stable)	RBI
NA	Fund-based Term loan	June 2026	7.95%	December 2034	87.50	[ICRA]A+ (Stable)	RBI
NA	Fund-based/non fund based limits	NA	NA	NA	425.00	[ICRA]A+ (Stable)/ [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	SPPL's ownership	Consolidation approach
Subsidiaries		
Sentiss AG, Uster	99.80%	Full consolidation
Sentiss Global DMCC	99.67%	Full consolidation
Stepdown subsidiaries		
Sentiss Ukraine LLC	100.00%	Full consolidation
Sentiss Kazakhstan LLC	100.00%	Full consolidation
Sentiss Pharmaceuticals LLC	100.00%	Full consolidation
Sentiss Healthcare FZCO (formerly known as Sentiss Healthcare DMCC)	98.67%	Full consolidation
Ophtapharm AG	100.00%	Full consolidation
LLC Sentiss Rus, Russia	100.00%	Full consolidation

Source: SPPL annual report FY2026

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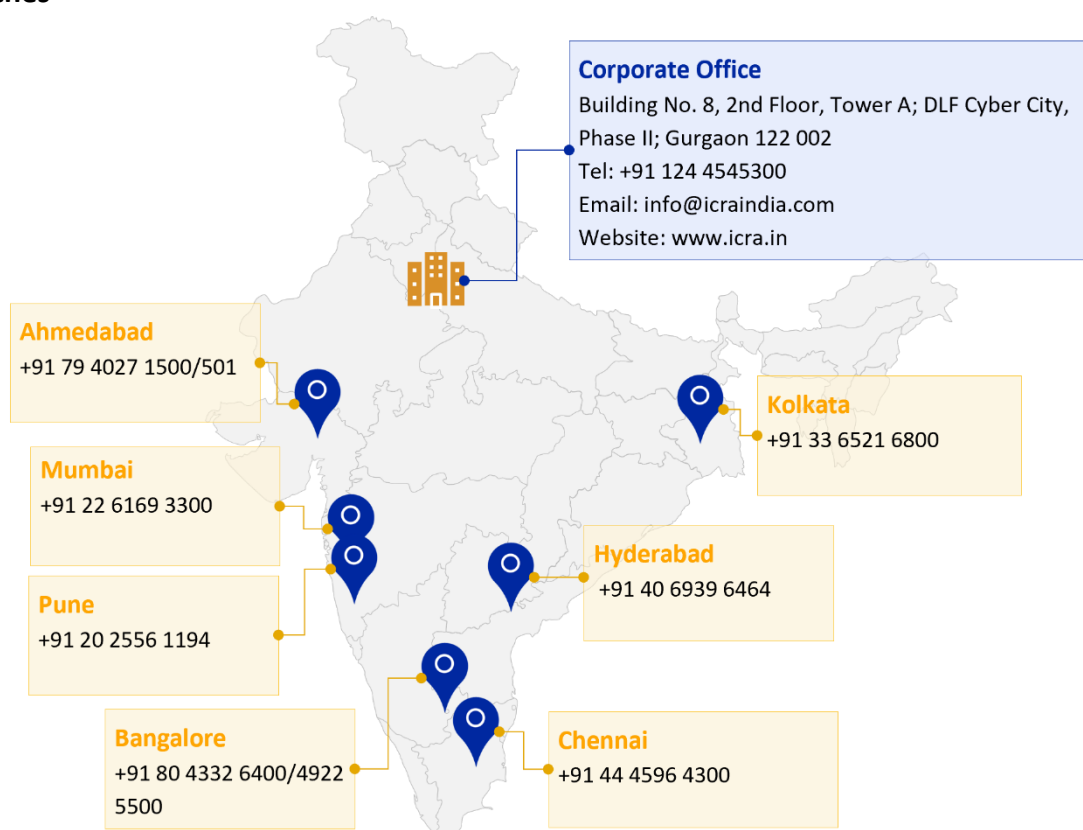
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