Marksans Pharma Limited

October 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	135.00	CARE AA-; Stable	Upgraded from CARE A+; Positive
Short-term bank facilities	120.75	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The upgrade in the long-term rating assigned to bank facilities of Marksans Pharma Limited (MPL) reflects consistent improvement in operational performance, evidenced by ~21% growth in total operating income (TOI) in FY25 (FY refers to April 01 to March 31) while maintaining healthy profitability. From FY22–FY25, the company delivered consistent revenue growth at a compounded annual growth rate (CAGR) of over 20%, supported by customer addition and enhanced product offerings. The rating revision also factors in completion of major capex at acquired facility from Teva Pharma in Goa and healthy product pipeline which strengthened its business profile.

Ratings continue to derive strength from MPL's comfortable capital structure, strong debt coverage indicators, and strong liquidity position. Ratings also factor in strong promoter background with over three decades of experience in the pharmaceutical industry, long and established track record of MPL, accredited manufacturing facilities, and diversified geographical presence.

These strengths are partially offset by MPL's presence in a highly regulated industry, intense competition in overseas markets with major presence in the over-the-counter (OTC) segment, revenue concentration risk due to high dependence on one therapeutic segment and foreign exchange fluctuation risk.

CARE Ratings Limited (CareEdge Ratings) takes note of the recent imposition of a "100% tariff on imports of branded or patented pharmaceutical products into the United States, unless the companies are building plants in U.S.". Although MPL has significant exposure in the US, CareEdge Ratings draws comfort from its major presence in the generics segment, which remains exempted from the said tariff. The company's manufacturing presence in the US through its subsidiary provides operational flexibility and partially mitigates risks associated with evolving trade policies to an extent. However, developments related to the tariff regime will remain a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in scale of operations through greater revenue diversification across geographies and therapeutic segments, strengthening the business risk profile.
- Improvement in operating cycle to below 100 days on a sustained basis.

Negative factors

- TOI falling below ₹2,000 crore and/or profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin falling below 18% on a sustained basis.
- Adverse regulatory action against MPL.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

- Large debt-funded capital expenditure or acquisitions leading to weakening of credit risk profile.

Analytical approach: Consolidated

CareEdge Ratings has considered consolidated financials of MPL consisting of MPL (Standalone) and its wholly owned subsidiaries mentioned in Annexure-6.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that MPL's business risk profile will remain resilient, supported by its diversified geographical presence, healthy product pipeline, and its strong presence in OTC market. MPL's comfortable leverage and strong liquidity position is expected to continue supporting its credit profile over the medium term.

Detailed description of key rating drivers:

Key strengths

Growing scale of operations with healthy profitability

MPL reported ~21% growth in TOI, reaching ₹2,646.20 crore in FY25 compared to ₹2,185.65 crore in FY24. This growth was primarily driven by robust performance in key geographies, notably the US and other parts of North America (~35%), Australia and New Zealand (~16%), supported by new product launches, increased business share from existing customers, and addition of new customers. From FY22–FY25, the company delivered consistent revenue growth at a CAGR of over 20%, driven supported by customer addition and enhanced product offerings.

MPL continues to maintain healthy profitability, with PBILDT margin steady at 21.01% in FY25 (21.36% in FY24). With limited finance cost, profit after tax (PAT) margin stood healthy at 14.46% in FY25 (14.41% in FY24).

In Q1FY26 (April 01 to June 30), MPL registered TOI of ₹619.99 crore, marking ~5% year-on-year growth. The quarter-on-quarter decline (~12%) was attributed to seasonal factors and price erosion in select products in the UK market. PBILDT margin moderated to 16.15% (from 21.74% in Q1FY25 and 17.75% in Q4FY25), primarily due to one-time expected credit loss (ECL) provisioning and foreign exchange volatility. MPL is expected to sustain its growth trajectory, supported by ramp-up of operations at the recently acquired facility and continued product innovation.

Comfortable capital structure and strong debt coverage indicators

MPL's capital structure continues to be comfortable with overall gearing of 0.13x as on March 31, 2025 (0.12x as on March 31, 2024). The company is net debt free, with free cash and bank balance and liquid investments of ₹704.57 crore against total debt of ₹321.91 crore (includes ₹298.82 crore finance lease liability) as on March 31, 2025.

Total debt to gross cash accruals (TD/GCA) and interest coverage ratio remained strong at 0.70x and 47.69x, respectively, for FY25 (0.64x and 41.67x, respectively, for FY24). MPL's capital structure and debt coverage indicators are expected to remain healthy in the near term, supported by steady profitability and absence of debt-funded capital expenditure. CareEdge Ratings expects MPS to maintain a comfortable leverage and debt coverage indicators in medium term considering no major debt-funded capex/acquisition plans.

Diversified geographical presence

MPL sells its product portfolio in over 50 countries, with majority revenue generated from regulated markets. The USA and North America contributed ~47% to MPL's FY25 TOI, of which 90% was contributed by the OTC segment and the balance from prescription drugs. Within the OTC segment, MPL manufactures products for leading retail chains, which account for nearly 80% of OTC revenue, while a portion is sold under its own label, manufactured at its US-based facility. This business structure provides operational flexibility and mitigates the direct impact of the recently imposed US tariff on branded or patented pharmaceutical imports. Although MPL has significant exposure in the US, CareEdge Ratings draws comfort from its major presence in the generics segment, which remains exempted from the said tariff.

The UK contributed ~39% to MPL's TOI, followed by Australia and New Zealand, together accounting for ~10%. The remaining revenue is generated from other international markets. MPL's geographically diversified revenue base helps reduce its exposure to economic or regulatory risks in single geography.

Established track record of operations with accredited manufacturing facilities

MPL has been manufacturing pharmaceutical formulations for over 30 years and has established strong relationships with customers and suppliers. MPL recently completed major capex at acquired facility from Teva Pharma in Goa. Sales from this facility have steadily ramped up. MPL generated revenue of over ₹300 crore from this facility in FY25, which is expected to improve further gradually. MPL has four manufacturing units (including one acquired from Teva) – two in India and one each in the US and the UK. All manufacturing facilities are accredited by several health authorities of regulated markets and are equipped for manufacturing tablets, caplets, capsules, and pellets.

The Indian facilities are located in Goa. The existing Indian facility is accredited by US-FDA, UK-MHRA, Brazil-ANVISA, and Australia-TGA, while the facility acquired from Teva is accredited by UK-MHRA, Canada-HPFB, and Japan-PMDA. The US and UK facilities are accredited by US-FDA and UK-MHRA, respectively.

In FY25 (FY refers to April 01 to March 31), the company commercialised 55-60 stock keeping units (SKUs) from its existing product portfolio. The company received approvals for 12 products in the UK region in FY25 and three product approvals from the USFDA and UK-MHRA in Q1FY26 for products from different therapeutic segments.

Experienced and qualified management

The promoters have over 30 years of experience in the pharmaceutical industry. Mark Saldanha, Managing Director and Chief Executive Officer, is also the founder promoter. Prior to MPL, he was associated with Glenmark Pharmaceuticals Limited as Whole-time Director. He is supported by Satish Kumar, Managing Director, Marksans Pharma (UK) Limited; David Mohammed, Managing Director, Nova Pharmaceuticals Australasia Pty Limited; and Jitendra Sharma, Chief Financial Officer, MPL and Director of MPL's subsidiaries. MPL also has strong professionals leading key aspects of business, each with over 20 years of experience in the pharmaceutical industry.

Key weaknesses

Intense competition and exposure to regulatory risk

MPL operates in a highly competitive international pharmaceutical market, where increasing regulatory scrutiny and heightened sensitivity towards product performance remain key challenges. The global pharmaceutical industry is subject to stringent regulations due to its direct impact on public health. Regulatory frameworks, including patent laws, may restrict the company's ability to launch new products or expand into certain geographies. Additionally, changes in tax structures, duties, or tariffs can influence cost structures and market access.

In April 2025, one of the subsidiaries of MPL received an inspectional observation from the United States Food and Drug Administration (USFDA) relating to routine current Good Manufacturing Practices (cGMP). In June 2025, the USFDA issued an Establishment Inspection Report (EIR) and closed the inspection.

While MPL's manufacturing sites continue to successfully clear regulatory audits conducted by leading global regulatory agencies, unanticipated actions by these agencies that may impact the company's credit profile will remain a key monitorable.

Segment concentration risk with major presence in OTC segment

The company's products are diversified across chronic and acute therapeutic segments such as pain management, cough and cold, cardiovascular, gastrointestinal, anti-diabetic, anti-allergic, central nervous system, and vitamins and supplements. MPL derives ~45% of its revenue from the pain management segment, followed by 13% from cough and cold products, 10% from cardiovascular, and the balance from other segments.

The company is actively pursuing diversification in its therapeutic segments. However, the pain management segment is likely to remain the major contributor to total sales in the near term, indicating segment concentration risk. MPL is mainly present in the OTC segment, which is highly competitive and price sensitive.

Foreign exchange fluctuation risk

The company operates in international markets and undertakes majority of its business transactions in foreign currencies. MPL derives a significant portion of its revenue from exports and imports raw materials from multiple geographies. The company's overall foreign currency exposure is mainly denominated in United States Dollar (USD) and Euro. However, foreign currency earnings exceed outflows, which mitigates the risk to some extent.

Liquidity: Strong

Liquidity is marked by strong accruals and cash and liquid investments of ~₹711 crore as on June 30, 2024, against nil debt repayment obligations. MPL is expected to generate GCA of over ₹400 crore annually in the projected period. With gearing of 0.13x as on March 31, 2025, the company has sufficient gearing headroom to raise additional debt for its capital expenditure. Working capital cycle elongated to 163 days in FY25 (FY refers to April 01 to March 31) from 145 days in FY24, primarily due to higher inventory related to new product launches. MPL's fund-based working capital limits (~₹100 crore) remained unutilised. These limits are adequate to meet incremental working capital requirements in the medium term. In FY25, MPL generated cash flow of ₹165.23 crore from operations and current ratio stood at 4.61x as on March 31, 2025 (PY: 4.76x).

Assumptions/Covenants: Not applicable

Environment, social, and governance risks:

Environment, social, and governance (ESG) is critically important for the pharmaceutical sector due to its unique role in global public health. Environmental responsibility is necessary to reduce the sector's ecological impact, as manufacturing processes are resource intensive. Social considerations are vital, given the sector's responsibility to provide access to life-saving medications, ensure affordability, and promote ethical practices and equality. Strong governance safeguards against ethical lapses and builds trust among stakeholders. In an era of increasing scrutiny and the need for sustainable healthcare solutions, embracing ESG principles not only aligns with societal expectations but also safeguards the sector's long-term viability and positive impact on global well-being.

MPL has implemented and adapted initiatives for sustainable waste disposal, reduction in greenhouse gas emissions, and focus on preventive healthcare, education, eradication of malnutrition, welfare of women and children, rural development in local communities, and accessible medical treatment and support for underprivileged sections of society.

Applicable criteria

Consolidation
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Pharmaceuticals
Financial Ratios – Non financial Sector

Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals and Biotechnology	Pharmaceuticals

MPL (CIN: L24110MH1992PLC066364) was incorporated in 1992 and subsequently listed on BSE in 1994. MPL is engaged in manufacturing generic pharmaceutical formulations and has presence in varied therapeutic segments. The company has four manufacturing plants – two in India, one each in the US, and the UK, and four research and development centres – two in India, one each in the US, and the UK.

Brief Financials (₹ crore)-Consolidated	March 31, 2024 (A)	March 31, 2025(A)	Q1FY26(UA)
Total operating income	2,185.65	2,646.20	619.99
PBILDT	466.82	556.08	105.76
PAT	314.90	382.62	58.20
Overall gearing (times)	0.12	0.13	NA
Interest coverage (times)	41.67	47.69	17.42

A: Audited UA: Unaudited; Note: these are latest available financial results

Brief Financials (₹ crore)-Standalone	March 31, 2024 (A)	March 31, 2025(A)	Q1FY26(UA)
Total operating income	861.52	1,197.90	319.73
PBILDT	148.19	231.66	72.06
PAT	133.76	188.27	48.06
Overall gearing (times)	0.01	0.01	NA
Interest coverage (times)	149.99	197.32	238.62

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	100.00	CARE AA-; Stable
Fund-based - LT-Proposed fund based limits		-	-	-	35.00	CARE AA-; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	2.00	CARE A1+
Non-fund-based - ST-Forward Contract		-	-	-	18.75	CARE A1+
Non-fund-based - ST-Letter of credit		-	-	-	75.00	CARE A1+
Non-fund-based - ST-Proposed non fund based limits		-	-	-	25.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	100.00	CARE AA-; Stable	-	1)CARE A+; Positive (07-Oct-24)	1)CARE A+; Stable (06-Oct-23)	1)CARE A+; Stable (02-Feb-23) 2)CARE A+; Stable (20-Jan-23)
2	Non-fund-based - ST-Letter of credit	ST	75.00	CARE A1+	-	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (06-Oct-23)	1)CARE A1+ (02-Feb-23) 2)CARE A1+ (20-Jan-23)
3	Non-fund-based - ST-Bank Guarantee	ST	2.00	CARE A1+	-	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (06-Oct-23)	1)CARE A1+ (02-Feb-23) 2)CARE A1+ (20-Jan-23)
4	Non-fund-based - ST-Forward Contract	ST	18.75	CARE A1+	-	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (06-Oct-23)	1)CARE A1+ (02-Feb-23) 2)CARE A1+ (20-Jan-23)
5	Fund-based - LT-Proposed fund based limits	LT	35.00	CARE AA-; Stable	-	1)CARE A+; Positive (07-Oct-24)	1)CARE A+; Stable (06-Oct-23)	1)CARE A+; Stable (02-Feb-23) 2)CARE A+; Stable / CARE A1+

								(20-Jan-23)
6	Non-fund-based - ST-Proposed non fund based limits	ST	25.00	CARE A1+	-	1)CARE A1+ (07-Oct-24)	-	-

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Proposed fund based limits	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Forward Contract	Simple
5	Non-fund-based - ST-Letter of credit	Simple
6	Non-fund-based - ST-Proposed non fund based limits	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here]()

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Marksans Pharma (UK) Limited	Full	Subsidiary
2	Marksans Holdings Limited	Full	Step-down Subsidiary
3	Bell, Sons and Co. (Druggists) Limited	Full	Step-down Subsidiary
4	Relonchem Limited	Full	Step-down Subsidiary
5	Marksans Pharma Inc.	Full	Subsidiary
6	Time-Cap Laboratories Inc.	Full	Step-down Subsidiary
7	Custom Coatings Inc.	Full	Step-down Subsidiary
8	Marksans Realty LLC	Full	Step-down Subsidiary
9	Marise Ann Inc.	Full	Step-down Subsidiary
10	Nova Pharmaceuticals Ltd.	Full	Step-down Subsidiary
11	Nova Pharmaceuticals Australasia Pty Ltd	Full	Subsidiary
12	Access Healthcare for Medical Products LLC	Full	Subsidiary
13	Marksans Pharma GmbH	Full	Subsidiary

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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