Instapill Private Limited (erstwhile Tenshi Kaizen Private Limited)

December 15, 2025

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	-	-	Reaffirmed at CARE BB; Stable / CARE A4 and Withdrawn
Long Term Bank Facilities	-	-	Reaffirmed at CARE BB; Stable and Withdrawn

Details of facilities in Annexure-1.

Rationale and key rating drivers

Detailed Rationale and Key Rating Drivers

CARE Ratings Limited (CareEdge Ratings) has reaffirmed and withdrawn outstanding ratings of 'CARE BB; Stable/ CARE A4' assigned to bank facilities of Instapill Private Limited (IPL) with immediate effect. This action has been taken at the request of IPL and 'No Objection Certificate / No Dues Certificate' received from the lenders that have extended the facilities rated by CareEdge Ratings.

Ratings prior to its withdrawal continued to remain constrained on account of IPL's modest scale of operations, continuous operating losses, weak financial risk profile characterized by low networth base and high external debt, inherent exposure to regulatory risks and delay in commencement of commercial production in unit ll. The financial profile is impacted by depleting networth due to continued losses in the past, which became positive at around ₹6 crore in FY25 due to conversion of ₹175 crore of related party loans as compulsorily convertible preference shares.

Ratings, however derived strength from its experienced promoters with proven turn around track record, access to reputed customer base by leveraging established relationships of promoters and group companies. IPL's presence in niche segments with limited competition also augur well for the ratings, though these are yet to materialize.

Analytical approach: Standalone

CareEdge Ratings has adopted a standalone approach while factoring in support received from other group companies, given the managerial and financial linkages. As per the management, company's operations are primarily carried out at the standalone entity, IPL's subsidiaries (in Europe, USA) do not have any significant operations and do not hold any material assets/liabilities.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that the company will continue to benefit from existence of experienced promoters.

Detailed description of key rating drivers:

Key weaknesses

Significant delays in utilization of capacity additions resulting in modest scale of operations

IPL began its Research & Development (R&D) activity in 2017 and launched its first product in 2021, but commercialization faced delays due to COVID disruptions and regulatory approvals. The company wrote off ₹90 crore of capex related to its New Jersey facility in FY23 and shifted operations to Bangalore, where Unit II is now approved by US FDA and undergoing validation batches. IPL reported revenue of ₹91 crore (FY24: ₹81 crore) in FY25, with negative PBILDT of ₹27.75 crore (FY24: negative PBILDT of ₹6.34 crore).

Commercial dispatches in Unit II commenced from FY26 onwards. As informed by the management, IPL reported revenue of ~₹87 crore in H1FY26, with PBILDT margin of around 25%, owing to higher income from research & development services. IPL expects revenue of around ₹160 crore for full year of FY26 with PBILDT margin of around 25%.

Weak financial risk profile

The financial risk profile of the company remained weak marked by IPL's negative networth base due to continued losses in the past, significant impairment of investments / intangible assets and high dependence on external debt for its capex requirements. High interest costs and continues operating losses, have led to weak debt coverage indicators. IPL's networth base became positive at ~₹6 crore in FY25 due to conversion of ₹175 crores of related party loans as compulsorily convertible preference shares.

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

Despite the continuous losses, the company has made principal and interest repayments in a timely manner owing to support extended by the parent company.

Exposure to regulatory risks

IPL is exposed to regulatory risk with its operations centered majorly into manufacturing pharmaceutical formulations and injectables. Besides, the pharmaceutical industry is highly regulated in many other countries and requires various approvals, licenses, registrations and permissions for business activities. The approval process for a new product registration is complex, lengthy and expensive. The time taken to obtain approval varies by country but generally takes from six months to several years from the date of application. Any delay or failure in getting approval for new product launch could adversely affect the business prospect of the company. Given, India's significant share in the USA's generic market, the USFDA has increased its scrutiny of manufacturing facilities and other regulatory compliance of the Indian pharma companies supplying generics drugs to the USA. Non-compliance may result in regulatory ban on products/facilities and may impact a company's future approvals from USFDA. Hence, ongoing regulatory compliance has become critical for Indian pharma companies including IPL as they seek to strengthen its position in the regulated markets like USA, UK etc. Till date there have been no major audit observations for the company.

Key strengths

Extensive industry experience and proven turn around track record of promoters

IPL is promoted by Mr. Arun Kumar, who also founded Strides in 1990. The main business model of the promoter and its holding companies is to acquire distress companies, turnaround its operations and monetize them profitably. The profits made out of such divestment is used for reinvestment into existing businesses, acquisition of other distress businesses or is distributed to promoters or other shareholders. Mr. Arun Kumar has demonstrated track record of turning around businesses and exiting them profitably. Under his leadership, Strides Pharma has sold Agila Specialities to Mylan Laboratories at USD 1.6 billion in FY13 and exited the injectables segment. Recently in January 2025, another group company called OneSource Specialty Pharma Ltd has been listed having a market cap of ~Rs. 19,000 crores as on date.

Continuous support extended by group companies

IPL, currently in the product development and approval phase, has incurred operational losses over the past two financial years ended FY25. To support the entity during this period, the parent company and promoter group companies have provided financial assistance and are expected to continue extending support in the coming quarters until IPL generates sufficient cash flows to meet its operational and financial obligations. In FY25, the company received approximately ₹150 crore from group companies as financial support. As of March 31, 2025, the unsecured loan from promoters outstanding is ₹122 crores [post conversion of USL of₹175 crore into CCPS] (PY: ₹147 crores). This has enabled the company to meet its debt obligations in a timely manner.

Access to reputed customer base by leveraging established relationships of promoters and group companies

IPL and Strides group have common promoters. Strides group has been in the pharma business over three decades and has developed a wide client base that includes major pharma players across geographies. Leveraging this, IPL has been able to secure orders or has easy access to a vast range of clients.

Presence in niche segments with few competition

IPL, through its proprietary technology named InstaPill, manufactures Rapid Dissolve Tablets ("RDT") – tablets that get dispersed in the mouth and is activated within seconds. As per the management, IPL is currently one of the only two pharmaceutical company across the world that has the technology to produce RDT. IPL's Loperamide InstaPill is one of the first generic alternative to Imodium (which decreases the frequency of diarrhoea) offering in various markets like Canada, Australia and Europe. Over the course of four years, since the first launch in 2021, IPL has been able to expand across key markets owing to limited competition. Also, the RDT can be used in other medicines, which can also increase the avenues for IPL's expansion.

Liquidity: Stretched

IPL's liquidity position remains constrained, driven by sustained operating losses, delays in product commercialization, and higher working capital requirements as operations scale up. As of March 31, 2025, the company had outstanding external term debt of ₹133 crore, with scheduled repayments being supported through fund infusions by the promoters.

Applicable criteria

Definition of Default
Factoring Linkages Parent Sub JV Group
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Pharmaceuticals
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments

About the company and industry

Industry classification

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

Founded in 2007 and based in Bengaluru, Tenshi is promoted by Mr Arun Kumar, who is also the promoter of leading listed pharmaceutical company Strides. Tenshi currently has two business segments:

(i) Platform Technology ("PT") Division - Manufacture of advanced finished dosage products such as rapid dissolve tablets, through proprietary technology platforms; also includes licensing with respect to the rapid dissolve technologies and revenue from provision of R&D services to a group company.

(ii) CDMO Division - Provision of contract manufacturing service to a single customer - Aspen Pharmacare, Australia.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	81.47	91.18
PBILDT	-6.34	-27.75
PAT	-78.66	-83.70
Overall gearing (times)	NM	NM
Interest coverage (times)	NM	NM

A: Audited; NM: Not Meaningful; Note: these are latest available financial results

Status of non-cooperation with previous CRA: IPL has outstanding non-cooperation rating with ICRA at 'ICRA B+/Stable Issuer not cooperating vide their press release dated Jan 24, 2025 on account of lack of adequate information.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	0.00	Withdrawn
Term Loan-Long Term	-	-	-	30-04-2029	0.00	Withdrawn

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/ ST-Working Capital Limits	LT/ ST	-	-	1) CARE BB; Stable / CARE A4 (15-Dec-25) 2)CARE BB; Stable / CARE A4 (03-Apr-25)	1)CARE BB; Stable / CARE A4 (03-Apr-24)	-	-
2	Term Loan-Long Term	LT	-	-	1) CARE BB; Stable (15-Dec-25) 2)CARE BB; Stable (03-Apr-25)	1)CARE BB; Stable (03-Apr-24)	-	-

LT: Long term; LT/ST: Long term/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/ ST-Working Capital Limits	Simple
2	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

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:
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