Corona Remedies Limited

February 09, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	25.00 (Reduced from 73.00)	CARE A+; Stable	Reaffirmed
Long-term / Short-term bank facilities	70.00	CARE A+; Stable / CARE A1	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Corona Remedies Limited (CRL) continue to derive strength from its qualified and experienced management with established presence in the Indian pharmaceutical formulation market, diversified product portfolio and wide marketing and distribution network. Ratings also factor in growing scale of operations, improvement in profitability in FY25 (FY refers April 01 to March 31) and H1FY26, stable industry prospects, comfortable capital structure, healthy debt coverage indicators and strong liquidity. Ratings also take note of listing of its equity shares post successful completion of its initial public offering for offer for sale from some of its existing investors/promoters.

However, rating strengths are constrained by the company's limited geographical diversification, moderate dependency on the third-party contract manufacturing, and competitive and fragmented industry with inherent regulatory risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in the scale of operation with total operating income (TOI) of over ₹2,000 crore while maintaining profit before interest, lease liability, depreciation and tax (PBILDT) margin over 20% on a sustained basis.
- Gross operating cycle not exceeding 100 days.

Negative factors

- Total debt to PBILDT above 1.50x on a sustained basis.
- Significant increase in the working capital intensity with gross operating cycle exceeding 150 days.

Analytical approach: Standalone

Outlook: Stable

The outlook on CRL's long-term rating is stable, considering inherent strength of its sales and distribution network and its wide portfolio of the branded generic formulation, having major focus on the chronic segment, which would enable it to sustain its healthy business risk profile in the near-to-medium term.

Detailed description of key rating drivers:

Key strengths

Diversified product portfolio with focus on chronic and sub chronic segment

CRL has a diversified portfolio of 71 brands including leading brands such as B29, Myoril, Tricium, Cortel, Obimet, Rosuless, Cor3, Dydrohope, among others. Revenue remains moderately diversified, with the top 10 brands accounting for ~49% of TOI across major four therapeutic segments (women's healthcare, Cardio-Diabeto, Pain Management, and Urology) forming ~65% of TOI in FY25 and 67% in H1FY26. The focus on chronic/sub-chronic therapies with ~70% contribution in TOI, supports earning stability.

CRL operates two manufacturing facilities one at Bhayla, Ahmedabad (Gujarat) and another at Solan, (Himachal Pradesh). The plant at Ahmedabad is WHO-GMP, EU-GMP and EAEU-GMP (January 2026) certified, enhancing access to regulated markets. The company is also coming up with a third plant, adjacent to its Bhayla plant for female hormone formulations.

Wide marketing and distribution network

CRL has pan-India marketing and distribution network with strong team of over 2,750 field medical representative (MR) as on September 30, 2025. This large marketing team is across India, covering over 180,000 unique doctors and over 2,50,000 pharmacies. CRL has four warehousing facilities, and 22 C&F facilities, enabling faster movement of its products across India.
CRL is a domestic formulation company generating ~96% revenue from domestic market. Within Indian market, it derives major revenue from western India forming ~46% followed by North and South India each forming ~20% and East India forming ~14%

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

of domestic revenue in FY25 (FY24: 46%, 21%, 19%, 14%). CRL is expanding its footprint across India and expects to expand to export regulated market in the medium term.

Growth in scale of operations and healthy profitability

CRL's TOI nearly doubled in the last three years from ₹617 crore in FY22 to ₹1197 crore in FY25. TOI grew by ~18% y-o-y to ₹1197.08 crore in FY25 led by penetration of existing brands and new brand launches, mainly focusing on chronic/semi chronic segments. Growth over the years has been supported by organic routes such as new brands launch, capacity addition and inorganic routes including acquisitions of brands from large MNCs (including Glaxosmithkline Pharmaceuticals Limited, Abbott India Limited, Sanofi India Limited and Bayer Zydus Pharma Private Limited) and in-licensing and co-marketing arrangements with players such as Ferring Pharmaceuticals and Albert David Limited. Acquired brands have demonstrated healthy ramp-up post its acquisition, reflecting CRL's strong marketing and distribution capabilities.

PBILDT margin improved by 475 bps to 20.16% in FY25 over FY24 considering improvement in gross margin by 300 bps to ~80% and rationalisation of employee costs. Consequently, profit after tax (PAT) margin too improved from 8.92% in FY24 to 12.45% in FY25 and gross cash accruals (GCA) stood healthy at ₹190.51 crore in FY25 (FY24: ₹127.88 crore).

Continuing its growth momentum, CRL reported TOI of ₹707.67 crore (up by ~15% y-o-y) with improvement in PBILDT and PAT margin to 20.95% (PY: 17.17%) and 13.93% (PY: 10.42%), respectively and GCA stood at ₹114.87 crore in H1FY26.

CRL is expects to grow its TOI at a compounded annual growth rate (CAGR) of ~15% given higher share of chronic segments such as Women's healthcare, Cardio-Diabetology, Pain Management, Urology among other and majority key brands in the growing phase of life cycle.

Comfortable financial risk profile

CRL has comfortable financial risk profile marked by overall gearing of 0.14x as on March 31, 2025 (0.33x as on March 31, 2024) and 0.09x as on September 30, 2025, supported by healthy net-worth base of ₹659.06 crore as on September 30, 2025.

CRL's debt coverage indicators continued to remain strong marked by a PBILDT interest coverage and total debt to GCA (TD/GCA) of 22.76x and 0.45x, respectively, in FY25 (FY24: 10.84x and 1.24x respectively) and 37.82x and 0.26x, respectively, in H1FY26. Going forward, with no major debt-funded capex in pipeline and repayment of term debt availed for brand acquisition, CareEdge Ratings expects financial risk profile to remain comfortable.

CRL successfully completed its initial public offer (IPO), with shares listed on the BSE and NSE on December 15, 2025. The entire issue was offer for sale from the existing investors/promoters. As on December 31, 2025 (post IPO), ChrysCapital, a private equity firm and its associates, holds 20.91% equity stake (27.50% pre-IPO) and promoters hold 69% stake (72.50% pre-IPO) in CRL, while remaining is held by public.

Qualified and experienced management

CRL is promoted by Dr Kirtikumar L Mehta (Non-Executive Chairman) who has over four decades of experience in medicine and looks after the general administration and export operations. He is assisted by his sons, Nirav K. Mehta (Managing Director & CEO) and Ankur K. Mehta (Joint Managing Director), who look after the company's overall functioning. Promoters are supported by a qualified tier II management with well-defined organisational structure and an adequate management information system. CRL's board comprises eight directors, including Ameet Desai, Shirish Belapure, Monica Kanuga and Bhaskar Iyer as independent directors, who have vast industry experience and domain expertise benefiting the company in terms of growth, governance and compliances.

Stable industry prospects

The Indian pharmaceuticals market (IPM) was estimated at ~US$58–59 billion in FY25 and is expected to grow at ~7–8% y-o-y through FY30. This growth is likely to be supported by 6–7% growth in exports and 8–9% growth in the domestic market over the same period. Expansion in the domestic pharma market is expected to be driven by increased health insurance penetration, improved access to healthcare facilities, a rising prevalence of chronic diseases, and higher per capita income. With the stabilisation of raw material prices and freight rates, easing pricing pressure in the US generics market, and a gradual shift towards complex and specialty products, CareEdge Ratings expects industry operating margins to remain stable over the near-to-medium term.

Key weaknesses

Limited geographical diversification

The company has limited geographical diversification with sales in the domestic market accounting for ~96% of overall revenue in FY25 (FY24: 97%) and remaining from export market. While the company's domestic sales are growing at healthy pace, management intends to expand to export market gradually over medium term. Although the domestic focus insulates the company from global headwinds, it limits its growth prospects.

Dependence on contract manufacturing

CRL outsources part of its manufacturing requirements, which led to low overheads and high asset turnover over the years. In FY25, share of in-house manufacturing stood at ~65% of net sales (FY24: 65%), while the balance was from contract manufacturing.

Although contract manufacturing keeps the business model asset light, it poses supply chain-related issues regarding quality control and resultant reputation risk. However, the company largely gets low value-added formulation products including injectables manufactured through contract manufacturers.

With commencement of sales from the EU-GMP compliant plant and addition of new line at the existing plant at Ahmedabad, CareEdge Ratings expects the sales proportion of in-house manufacturing to contract manufacturing would gradually improve to 70:30 in the medium-term.

Completion of capex which is yet to scale-up

CRL has completed construction and installation at its female hormone formulations plant (adjacent to Oral Solid Dosage [OSD] plant at Ahmedabad) in FY25. Trial run has been successfully completed, and pilot validation tests are under process and expects to commence commercial production from Q1FY27 end.

The total project cost is ~₹125 crore, of which over 90% cost has been incurred as on September 30, 2025. This was entirely funded through internal accruals. CareEdge Ratings notes moderate time overrun and cost revision in the project, mainly due to a change in technical specifications and time taken in approvals and validations.

Presently, it manufactures female hormones formulations at its Solan plant and after stabilisation of operations, some products will be shifted to this plant gradually. The company has capacity headroom in existing facility and hence the delay in project would not restrict company's growth in the near term.

CRL is expanding its production capacity by 400 million tablets/capsules through 600 KG line at its existing OSD plant with a cost of ~₹65 crore, funded entirely through internal accruals. While trial run and pilot-based validation test has been successfully completed, it commenced commercial production from December 2025.

Stabilisation along with achieving the envisaged benefits from the aforementioned capex would remain crucial.

Presence in competitive industry and exposure to increasing regulatory risk

CRL is exposed to the regulatory risks inherent to the pharmaceuticals industry. Players in the industry need to adhere to stringent quality standards. Good manufacturing practice (GMP) must be followed for manufacturing and quality control of drugs. The government also controls prices of pharmaceutical products through the drug price control order (DPCO) under price control mechanism. However, CareEdge Ratings notes CRL currently derives only ~8% of its revenue from products covered under DPCO, which provides it a pricing flexibility.

While CRL has started dossier filings with concerned regulatory authorities for tis EU-GMP plant, CareEdge Ratings notes export to European countries may take some time, considering the lengthy approval process. However, CRL has already commenced production from this plant from FY22 onwards per EU-GMP compliances and currently caters the domestic market.

CRL's operations are also exposed to the competitive pharmaceutical formulation market particularly in the generic segment.

Liquidity: Strong
CRL has strong liquidity characterised by healthy cash accruals against its low term debt repayment obligations, healthy liquid investment and cash and bank balance, and nil working capital utilisation. Average fund-based working capital utilisation remained nil for the last 12-months ended December 31, 2025, providing significant cashflow cushion.

CRL is expected to generate GCA of over ₹200 crore against its debt repayment obligation of ~₹36 crore in FY26 (excluding lease liability of ₹2.5 crore). CRL pre-paid ₹15 crore of its term debt obligations in FY25.

CRL has free cash and bank balance and liquid investments (including fixed deposits) to the tune of ₹79.95 crore as on September 30, 2025, post payment of final dividend of ₹44.71 crore in H1FY26.

It reported healthy cash flow from operations of ₹190.49 crore and ₹113.44 crore in FY25 and H1FY26 respectively (FY24: ₹156.76 crore) and its current and quick ratio stood at 1.25x and 0.88x, respectively, as on March 31, 2025.

Debtor and inventory days largely remained aligned with the previous year at 33 days and 50 days, respectively in FY25. Consequently, the company's operating cycle also remained largely stable at 34 days in FY25 against 39 days in FY24.

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[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

Incorporated in August 2004, CRL (CIN: L24231GJ2004PLC044656) is an Ahmedabad-based company and is engaged in manufacturing and marketing branded generic formulations. Promoted by the Mehta family, CRL started its operations by marketing of formulations and started first plant in 2007. As on December 31, 2025, CRL operates two manufacturing units, one in Solan (Himachal Pradesh, WHO-CGMP certified) and other at Bhayla (Ahmedabad, EU-GMP certified; commenced operations in March 2021).

The company converted into public limited company in early-FY26. It came up with an IPO (entirely offer for sale) of ₹655.37 crore and got listed on BSE and NSE as on December 15, 2025. As on December 31, 2025 (post IPO), Promoter's holding stood at 69% (Pre IPO: 72.50%) and ChrysCapital, a private equity firm and its associates hold 20.91% (Pre IPO: 27.50%).

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	1,014.96	1,197.08	707.67
PBILDT*	156.43	241.35	148.25
Profit after tax (PAT)	90.50	149.05	98.55
Overall gearing (x)	0.33	0.14	0.09
Interest coverage (x)	10.84	22.76	37.82

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	-	-	-	May 2028	25.00	CARE A+; Stable
Fund-based/non-fund-based-LT/ST	-	-	-	-	70.00	CARE A+; Stable / 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/non-fund-based-LT/ST	LT/ST	70.00	CARE A+; Stable / CARE A1	-	1)CARE A+; Stable / CARE A1 (12-Nov-24) 2)CARE A; Stable / CARE A1 (05-Apr-24)	-	1)CARE A; Stable / CARE A1 (08-Mar-23)
2	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (08-Mar-23)
3	Fund-based - LT-Term Loan	LT	25.00	CARE A+; Stable	-	1)CARE A+; Stable (12-Nov-24) 2)CARE A; Stable (05-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-Term Loan	Simple
2	Fund-based/Non-fund-based-LT/ST	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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Kalpesh Ramanbhai Patel Director **CARE Ratings Limited** Phone: 079-40265611 E-mail: kalpesh.patel@careedge.in Jignesh Trivedi Assistant Director **CARE Ratings Limited** Phone: 079-40265631 E-mail: jignesh.trivedi@careedge.in Darshini Shah Lead Analyst **CARE Ratings Limited** E-mail: Darshini.Shah@careedge.in

About us:
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