

Alembic Pharmaceuticals Limited

June 11, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Commercial paper	1,100.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Reaffirmation of the rating to the commercial paper (CP) issue of Alembic Pharmaceuticals Limited (APL) derive strength from its experienced and qualified management in the pharmaceutical industry, long track record and established presence in the domestic formulation market, presence in major regulated markets, and its diversified revenue profile with vertically integrated operations. The rating further derives comfort from its comfortable leverage, healthy debt coverage indicators and strong liquidity.

However, rating strengths are partially offset by continued moderate operating profitability margin due to the US generic business facing a pricing pressure, modest utilisation of newer manufacturing units and associated overhead cost, higher R&D spend for peptide-related products and expenses related to launch and marketing network expansion of branded formulation product in the US market. Inventory build-up for new launches and encashing supply opportunities led to elongation in operating cycle and higher-than- envisaged reliance on working capital borrowings. Despite gradually improving utilisation at its new manufacturing units and expected decline in R&D spend as percentage of sales in FY27 (FY refers to April 01 to March 31) over FY26, profit before interest, lease rentals, depreciation and taxation (PBILDT) margin may not materially improve considering cost associated with expansion of branded formulation business in the US market and expectation of price erosion in certain products of the US generics formulation business. The rating is further constrained considering its exposure to inherent regulatory risks associated with the pharmaceutical industry, intense competition and resultant pricing pressure in domestic and export markets.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors:

Not applicable

Negative factors

- Larger-than-envisaged capex or acquisition, adversely affecting its free cash flows and debt coverage indicators.
- Increase in overall gearing ratio to over 0.5x on a sustained basis.
- Declining PBILDT margin below 15% and significant adverse impact on its return on capital employed (ROCE) on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered consolidated financials of APL because of operational and financial linkages with its subsidiaries/joint ventures (JVs)/associates. Entities consolidated with APL as on March 31, 2026, are listed under Annexure-6.

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

Diversified and vertically integrated operations

APL's business is divided into three broad segments, (i) branded formulations in the domestic market; (ii) international generic formulations (sale of formulations in export markets); and (iii) active pharmaceutical ingredients (API; catering to domestic and export markets). It is also present in the Animal health business, which is part of branded formulation segment. These segments contributed ~33%, 50% and 16% of its consolidated total operating income (TOI), respectively, in FY26 indicating a diversified revenue stream. APL's revenue profile is also geographically well-diversified with presence in major regulated and semi-regulated markets; albeit there is greater focus on the US (generic formulation sales in the US contributed ~30% of its TOI in FY26). In February 2026, the company entered branded formulation business in the US market with launch of one product. However, contribution from branded formulation business is expected to remain small in the near term.

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

APL has vertically integrated operations, as it captively meets its API requirement for its key final products apart from selling API to customers. APL's ability to manufacture API for its key formulations partially protects it from supply uncertainties and volatility in the prices of API. API business grew by 5% in FY26 on a y-o-y. The management expects API segment's sales to grow by ~9-10% pa in near-to-medium term.

APL's top 10 brands in the domestic market constituted ~37% of its branded formulation sales in FY26 (38% in FY25). APL caters several therapeutic segments, including anti-infective, gynaecology, cardiology, diabetes, dermatology and oncology, where the anti-infective segment contributes the most to its revenue in the domestic market. It earned ~75% of its domestic revenue from top five therapies (this includes its animal health business).

Experienced management and established position in domestic formulation market

APL has experience of over 100 years in pharmaceutical industry. APL's Chairman, Chirayu Amin is a third-generation entrepreneur and has over three decades of experience. Pranav Amin (MD) and Shaunak Amin (MD), sons of Chirayu Amin, also possess experience of over a decade in the pharmaceutical industry. APL has well-qualified and experienced second-tier management with well-defined organisational structure and strong management information system.

APL has an operational track record of over a century in the Indian pharmaceutical industry and is among the top 25 pharma players in the domestic formulation market. APL is ranked 21st with market share of ~1.21% in the domestic pharmaceutical market (Source: APL). APL has a portfolio of over 200 domestic formulation brands and has over 1,000 products (stock-keeping units [SKUs]). APL has a field force of over 5,500 executives (medical representatives [MRs]) reaching ~2,00,000 medical practitioners across India.

Large presence in regulated markets backed by consistent R&D focus

APL has gradually increased its presence in overseas markets, where majority contribution comes from regulated markets such as the US. APL's US generic business faces pricing pressure. There is distributors consolidation in the US, where top three distributors account for over 90% of the country's drug market. Hence, pricing power of suppliers is very limited. Despite continued price erosion, APL's generic formulation business grew by 16% in FY26 (y-o-y, 13% growth in the US generics and 20% growth in RoW markets) primarily considering new products launches and volume growth. Price erosion in certain products in the US market is expected to continue; however, new product launches and continued growth in sales volume is expected to support overall sales growth.

APL made sizable investments in its R&D capabilities (annual R&D spend of ~12-16% of consolidated sales in FY21- FY23) to grow its presence in regulated markets. R&D spend for FY26 remained at ~9.6% of sales, higher than its peers (in terms of percentage of sales). In FY26, the company filed eight abbreviated new drug application (ANDAs), leading to cumulative ANDA filling of 274 as on March 31, 2026. The company received 15 ANDA approvals and launched 15 new products in FY26. APL envisages to launch ~15-20 products in the US market in FY27. CareEdge Ratings expects its US business to grow by at least 12-15% pa in FY27-FY28.

APL entered the US branded formulation business in FY26 by launching "Pivya" in the US market. APL acquired Utility Therapeutics, which owned this FDA-approved formulation. APL will add more branded products in its portfolio in coming years through in-licencing, marketing authorisations and acquisitions. It will also build ground presence in the US market for its branded portfolio.

Low leverage and comfortable debt coverage indicators; however, higher-than-envisaged debt level

APL's total debt increased to ₹1,430 crore as on March 31, 2026 (PY: ₹1,258 crore) and remained higher-than-envisaged, considering higher working capital requirement. However, its capital structure continued to remain comfortable marked by overall gearing ratio and total outside liabilities to total net worth (TOL/TNW) of 0.25x (PY: 0.24x) and 0.55x (PY: 0.55x), respectively, as on March 31, 2026. APL's debt coverage indicators also remain comfortable marked by total debt to PBILDT (TD/PBILDT) of 1.22x and total debt to gross cash accruals (TD/GCA) of 1.62 years in FY26. Debt coverage indicators are expected to remain comfortable due to APL's healthy expected cash accruals. CareEdge Ratings expects cash accruals to remain adequate to meet its envisaged capex and working capital requirement and there would not be major incremental reliance on external debt.

Stable growth prospects of Indian pharmaceuticals sector

The Indian pharmaceutical industry (IPI) comprises mainly formulations, API and contract research and manufacturing services (CRAMS) segments. The outlook for IPI is envisaged to remain stable in the medium-to-long term backed by growth opportunity in capitalising on major blockbuster drugs coming off-patent, paving the way for entry of generics, especially in the US market, and geographical diversification in emerging markets. In the domestic market, growth in the formulations segment is expected

to be led by rise in chronic diseases, increasing per capita income, government initiatives such as new national health protection scheme and Ayushman Bharat programme, improving access to healthcare facilities, and growing penetration of health insurance.

Key weaknesses

Modest growth in domestic branded formulation business

The domestic branded formulation business grew by 5% y-o-y in FY26. Excluding animal health, domestic branded formulations grew by ~2% in FY26 (y-o-y). APL also lost market share in FY26 (Market share of ~1.21% as on March 31, 2026, compared to market share of ~1.4% as on March 31, 2025, source: APL). The management indicated factors such as leadership changes, higher attrition and lower MR productivity for modest growth in domestic branded formulation business. APL also has large presence in anti-infective segment market, which is growing at a slower pace than broader pharmaceutical market. As per the management, corrective actions are being taken, which should lead to improvement in growth rate in the medium term.

Continued moderate operating profitability margins and ROCE in FY26

APL's PBILDT margin continued to remain moderate at 15.83% in FY26 due to high overhead cost related to newly commissioned manufacturing facilities, relatively high R&D cost, and cost associated with branded product launch in the US, among others. With moderate operating profitability, the company's operating ROCE remained at ~15% in FY26 (PY: ~15%). The management has indicated that R&D cost as percentage of sales will be calibrated. Utilisation of newly commissioned manufacturing facilities is also gradually improving, considering its growing product portfolio. However, these margin accretive factors are offset by continued price erosion in the US generics business and investment required for expanding branded formulation business in the US market. Hence, APL's PBILDT margin are expected to be ~15-17% in the near-to-medium term.

Inherent regulatory risk in domestic and international markets

APL derived ~33% of consolidated revenue in FY26 from domestic formulation business. ~13% of formulations are covered under Drug Price Control Order (DPCO). Inclusion of fresh formulations in National List of Essential Medicines (NLEM) and consequently in the DPCO may restrict pricing flexibility for APL. It is also exposed to regulatory changes in global markets (primarily the US) as international generic business contributed ~50% to its revenue in FY26. Continuous efforts by the US government to bring down drug prices, intense competition in the US generic market, and consolidation of the US pharmaceutical distributors, may pose vulnerability to its profitability. Pricing in generic formulations in the regulated market, especially the US, is mainly driven by the dynamics of demand and supply. The wholesale pharmacy market in the US is dominated by few distributors. Non-compliance with good manufacturing practice (GMP) and subsequent adverse action by USFDA may also pose threat to the revenue and the company's profitability. However, APL has establishment inspection report (EIR) in place for all its operational manufacturing facilities.

Liquidity: Strong

APL's liquidity is expected to remain strong marked by healthy cash accruals and modest term-debt repayment obligation. APL's liquidity indicator continued to remain strong marked by current ratio of 1.75x as on March 31, 2026. APL's internal accruals are expected to remain adequate to meet its capex (~₹300 to ₹400 crore) and incremental working capital requirement. Utilisation of its fund-based working capital limits (on a standalone basis) remained at ~26% for 12 months ended April 2026 (~85% considering outstanding commercial papers as part of utilised bank limits). Its unutilised working capital limits provide additional liquidity cushion. Its healthy net-worth base and comfortable leverage provide significant financial flexibility to APL.

Environment, social, and governance (ESG) risks

Risk factors	Compliance and action by the company
Environmental	The company has zero liquid discharge (ZLD) implemented facility. APL has taken several initiatives to reduce carbon emission and waste sent to landfill, by sending waste to the recycling and cement industries to an extent. In FY25, APL achieved 21% reduction in specific water consumption and 16% reduction in landfill waste. It also started accounting for scope-3 emissions.
Social	APL faces a high social risk related to safety of consumers. APL is exposed to reputation risk related to quality of products/services. However, there have not been major instances of litigations and product recall in the past. APL continues to comply with the labour laws, adequate safety for workers, ensuring customer privacy and fair marketing practices to achieve long-term sustainability. APL also implemented human rights policy and prevention of sexual harassment policy.
Governance	APL has adequate governance structure, with majority board comprising independent directors, presence of investor grievance redressal mechanism, whistle-blower policy and extensive disclosures.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[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

APL is engaged in manufacturing and marketing branded formulations (in the domestic market), generic formulation (in overseas market) and API/ bulk drug in domestic and overseas markets. APL caters several therapeutic segments, including anti-infective, gynaecology, cardiology, diabetes, dermatology and oncology, where the anti-infective segment contributes the most to its revenue in the domestic market. The US forms major share of APL's revenue in its export market. APL operates total nine manufacturing facilities across different locations in India.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)#
Total operating income	6,696	7,395
PBILDT	1,032	1,171
Profit after tax (PAT)	582	671
Overall gearing (x)	0.24	0.25
Interest coverage (x)	13.10	12.50

A: Audited; Note: these are latest available financial results, #Abridged Audited

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
Commercial Paper-(Standalone)	INE901L14CI0	15-04-2026	6.22%	15-06-2026	150.00	CARE A1+
Commercial Paper-(Standalone) ^	NA	-	-	-	950.00	CARE A1+

^Proposed; NA: Not applicable; The company has availed CP of ₹150.00 crore of the total rated CP issue of ₹1,100.00 crore as on June 11, 2026

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 2026-2027	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
1	Commercial Paper-(Standalone)	ST	1100.00	CARE A1+	-	1)CARE A1+ (12-Jun-25)	1)CARE A1+ (18-Jun-24)	1)CARE A1+ (19-Jun-23)

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	Commercial Paper-Commercial Paper (Standalone)	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	Alembic Pharmaceutical Inc.	Full	Subsidiary
2	Onkar Realty LLC^	Full	Step down Subsidiary
3	Alembic Labs LLC^	Full	Step down Subsidiary
4	Utility Therapeutics	Full	Step down Subsidiary
5	Alembic Therapeutics LLC	Full	Step down Subsidiary
6	Alembic Global Holding SA	Full	Subsidiary
7	Alembic Pharmaceuticals Australia Pty Ltd	Full	Step down Subsidiary
8	Alembic Pharmaceuticals Canada Ltd	Full	Step down Subsidiary
9	Alembic Pharmaceuticals Europe Limited	Full	Step down Subsidiary
10	Genius LLC#	Full	Step down Subsidiary
11	Alnova Pharmaceuticals SA#	Full	Step down Subsidiary
12	TicTwo Therapeutics inc.	Full	Step down Subsidiary
13	Alembic Lifesciences Inc.	Full	Step down Subsidiary
14	Alembic Pharmaceuticals Chile Spa	Full	Subsidiary
15	Alembic Pharmaceuticals S.A.de C.V.	Full	Subsidiary
16	Alembic Pharmaceuticals Scientific Office L.L.C	Full	Subsidiary
17	Fenix Research Labs Private Limited	Moderate	Associate
18	Rhizen Pharmaceuticals AG	Moderate	Associate
19	Dahlia Therapeutics SA#	Moderate	Associate
20	Alembic Mami SpA#	Proportionate	Joint venture
21	SPH Sine Alembic (Shanghai) Pharmaceutical Technology Limited	Proportionate	Joint Venture

^Entities dissolved in FY25; #non-operational and in process of dissolution

Annexure-7: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026 to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments ²
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutual Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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.

²SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Saikat Roy Senior Director CARE Ratings Limited Phone: 912267543404 E-mail: saikat.roy@careedge.in</p>	<p>Analytical Contacts</p> <p>Ranjan Sharma Senior Director CARE Ratings Limited Phone: +91-22-6754 3453 E-mail: Ranjan.sharma@careedge.in</p> <p>Krunal Pankajkumar Modi Director CARE Ratings Limited Phone: 079-40265614 E-mail: krunal.modi@careedge.in</p> <p>Akshay Dilipbhai Morbiya Associate Director CARE Ratings Limited Phone: 079-40265619 E-mail: akshay.morbiya@careedge.in</p>
--	--

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

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**