

Evonile Pharma Limited (Earlier known as Novartis India Limited)

October 07, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / Short-term bank facilities	RBI	200.00	CARE A; Stable / CARE A2+	Assigned
Long-term bank facilities	RBI	800.00	CARE A; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Evonile Pharma Limited (EPL) derive strength from its portfolio of established brands franchise and leadership positions in their respective covered markets, experienced management and the resourceful private-equity sponsor, Chrys Capital, comfortable capital structure, and adequate liquidity. Ratings also factor in favourable medium-term prospects of the Indian domestic formulations market, supported by rising healthcare access and increasing prevalence of chronic and lifestyle diseases.

However, rating strengths are constrained by execution risk associated with EPL's transition from an outsourced marketing and distribution arrangement to an in-house sales and distribution platform, sizeable near-term investments in field force, and integration risk relating to the acquisition of the brand 'Minipress' and possible future acquisitions. Ratings are also constrained by intense competition and regulatory risks inherent in the domestic formulations industry, dependence on third-party manufacturers, and sizeable contingent liabilities.

EPL's ability to complete proposed equity infusion and repay the bridge funding within the envisaged timeline, achieve planned scale-up while maintaining adequate profitability, and integrate acquired/in-licensed brands will remain key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of over 20% on a sustained basis, while keeping net-debt/ Adj. PBILDT (excluding the Employee Stock Ownership Plan [ESOP] charge) below 1.5x

Negative factors

- Inability to raise proposed equity infusion by March 31, 2027, leading to prolonged reliance on bridge funding.
- Slower-than-expected ramp-up of the in-house field force and distribution platform, or weaker integration of acquired brands, resulting in continued subdued profitability
- Any large debt-funded acquisition, material crystallisation of contingent liabilities, or deterioration in liquidity leading to total debt to Adj. PBILDT (excluding the ESOP charge) above 4.0x on a sustained basis.

Analytical approach: Standalone; factoring linkages with Chrys Capital, which holds controlling interest in the company. CARE Ratings Limited (CareEdge Ratings) also its applied parent-notch up framework.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that EPL will benefit from its established brand franchise, experienced management and sponsor support, while the proposed equity infusion and available liquidity will support the company through the near-term business reorganisation. The outlook also factors in expectation that operating performance and debt coverage will improve from FY28 as the expanded field force and distribution platform gain traction.

Detailed description of key rating drivers

Key strengths

Established brands across multiple therapies with strong market position

EPL markets branded formulations in India under well-established brands including 'Voveran', 'Myfortic', 'Simulect', 'Methergin', 'Calcium Sandoz', 'Macalvit', 'Trioptal', and 'Tegrital', among others. These brands cater to pain management, Gynecology, vitamins-nutrition and supplements (VMS), transplant and central nervous system (CNS) therapies. The portfolio has a long

¹SEBI: 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.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

operating history and strong equity among prescribers, with many brands occupying leadership positions in its respective covered market/formulation category (Source: the company via IQVIA)

In September 2026, EPL acquired brand 'Minipress' from Pfizer India for ~₹1,250 crore. 'Minipress', used in the cardiac therapeutic segment, has annual sales of ~₹225 crore (Source: the company via IQVIA) and holds a leading position in its formulation category. EPL also entered an exclusive five-year promotion and distribution arrangement with Novartis Healthcare Private Limited (NHPL) for the retina brands 'Accentrix' and 'Pagenax', involving an upfront payment of ~₹10 crore. These transactions broaden EPL's presence into cardiology and ophthalmology therapies and improve the critical mass of its portfolio.

The management intends to use the established brands as anchors for new launches and bolt-on acquisitions across six focus high-growth therapies: cardiology, pain management, Gynecology, CNS, transplant and ophthalmology.

Experienced management and resourceful sponsor with healthcare expertise

Following the change in control completed on July 29, 2026, EPL is controlled by a Chrys Capital affiliate. Chrys Capital is an established Indian private-equity platform with a long investment track record and experience across pharmaceutical, healthcare, enterprise software, consumer and financial services businesses. Its past and current healthcare investments included Intas Pharmaceuticals Limited (CARE AA+; Stable/ CARE A1+), Mankind Pharma Limited (CARE AA+; Stable/ CARE A1+), Eris Lifesciences Limited, Torrent Pharmaceuticals Limited, Zydus Lifesciences Limited, Corona Remedies Limited (CARE A+; Stable/ CARE A1), La Renon Healthcare and GeBBS Healthcare Solutions, among others.

EPL has inducted an experienced board and senior management team. Dr Vikas Gupta, Managing Director and Chief Executive Officer (CEO), has over two decades of experience and previously served as CEO of Alkem Laboratories Limited (CARE AA+; Stable/ CARE A1+). The senior management team includes professionals with experience across finance, M&A, investor relations, business operations, supply chain and human resources at established pharmaceutical companies. CareEdge Ratings expects the Chrys Capital's sector expertise and the management team's execution experience to support the planned business transformation.

Comfortable capital structure and debt coverage indicators

EPL part funded 'Minipress' acquisition through term-debt. Of this, major portion of debt is proposed to be repaid from an equity infusion planned in FY27. Following repayment of the bridge funding, total debt is expected to remain modest, against a net worth of ~₹818 crore as on March 31, 2026.

Adjusted interest coverage (PBILDT before ESOP/Interest) is expected to weaken in FY27, considering reorganisation and acquisition related costs, and initial investments in the commercial platform. Adjusted Interest coverage is expected to improve in FY28. Total debt/Adjusted PBILDT (PBILDT before ESOP cost) is also expected to remain comfortable by FY28. EPL did not have fund-based working-capital limits and funded working capital through internal accruals. The company has no major manufacturing capex, consistent with its asset-light model.

Favourable prospects for the domestic formulations market

The Indian pharmaceutical market is expected to maintain healthy growth over the medium term, supported by higher prevalence of lifestyle and chronic diseases, improving healthcare infrastructure and insurance penetration, rising per-capita income, and new product launches. Chronic and sub-chronic therapies offer relatively stable and recurring demand. CareEdge Ratings' recent domestic formulations press releases also highlight stable industry prospects, while noting intense competition and regulatory exposure.

Key weaknesses

Execution risk associated with transition to new business model

Historically, EPL relied on Dr. Reddy's Laboratories (DRL) for the marketing and distribution of most of its products and did not maintain its own field force and distribution network. Under its new strategy, EPL is building an in-house marketing and distribution infrastructure to support its overall product portfolio. The company plans to recruit ~900–1,000 medical representatives in the next 1-2 years, including ~200–300 dedicated to 'Minipress', and expand its reach beyond tier-I cities. EPL has also appointed ~25 carrying and forwarding (C&F) agents to support its distribution network.

The transition entails sizable near-term employee, training, systems and commercial expenditure, while productivity of a newly recruited field force generally has a gestation period. The business is also exposed to attrition among medical representatives. Timely recruitment, retention and productivity ramp-up, continuity of product availability, and effective distributor management will therefore be key monitorable. Disruption in the transition could affect sales growth and profitability in the near term.

Acquisition and integration risk

Minipress acquisition is significantly relative to EPL's existing scale and has been funded initially through mix of debt and liquid surplus. EPL will need to integrate the brand into its enlarged portfolio, ensure supply continuity and realise expected commercial synergies. The management may also pursue small-to-medium acquisitions in the medium term. Acquisition at aggressive valuation, higher-than-envisaged debt funding, delayed integration, or weaker-than-expected performance may affect return metrics and financial risk profile.

Intense competition and regulatory risks in domestic formulations

The domestic formulations market is competitive and fragmented, with presence of established Indian and multinational companies and multiple emerging players. Branded generics have limited product differentiation, and prescription volumes depend on therapeutic efficacy, brand recall, depth of product basket, medical-representative reach, physician engagement and distribution strength. EPL is also exposed to price controls under the Drug Price Control Order (DPCO), changes in the National List of Essential Medicines, product-quality regulations and other interventions applicable to pharmaceutical companies. These factors may constrain pricing flexibility and profitability.

Sizeable contingent liabilities

EPL had sizeable contingent liabilities as on March 31, 2026, for which provisions had not been made. These liabilities pertain to income-tax disputes and penalties levied by the National Pharmaceutical Pricing Authority under the DPCO. The management does not expect material crystallisation. Further, the management indicated that these liabilities are partly insured/indemnifiable. Nevertheless, any substantial adverse outcome may affect liquidity and capitalisation.

Liquidity: Adequate

Liquidity is supported by sizable cash and equivalents as on September 25, 2026, absence of material manufacturing capex, and the proposed equity infusion to pre-pay large part of term loan. The company had no fund-based working-capital limits and funded working capital through internal accruals. Scheduled term-debt repayment begins in FY28, when cash accruals are projected to improve and remain adequate for EPL's term-debt repayment obligations and incremental working capital requirements.

Environment, social, and governance (ESG) risks

Risk factors	Compliance and action by company
Environment	NIL is a pharmaceutical trading and distribution entity without manufacturing facilities; therefore, its direct environmental footprint is limited and largely relates to offices, warehouses, logistics and disposal of expired medicines. In FY26, total energy consumption was 290.02 GJ, including 230 GJ from renewable sources, while market-based Scope 2 emissions were 12.3 tonnes of CO2 equivalent. Scope 1 emissions were not tracked.
Social	Product quality, patient safety, ethical promotion, employee practices and access to medicines are material social factors for a pharmaceutical company. NIL has mechanisms for product complaints and adverse-event reporting, with defined turnaround times. Its policies cover health and safety, human rights, prevention of harassment and responsible business conduct; FY26 training coverage for the board, key managerial personnel and employees was reported at 100%. Its livelihood-focused CSR projects benefited 537 people, all belonging to vulnerable and marginalised groups.
Governance	NIL is a listed company with board-level oversight through statutory committees and policies covering ethics, compliance, whistle-blower reporting, related-party transactions, risk management and responsible business conduct. Following the change in control in July 2026, the board and senior management were reconstituted. The current seven-member board includes three independent directors. The rapid business transformation, brand acquisitions and build-out of an in-house commercial platform increase the importance of strong oversight over capital allocation, related-party transactions, regulatory compliance, pharmacovigilance and third-party manufacturers.

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

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

[Rating Outlook and Rating Watch](#)

[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 & Biotechnology	Pharmaceuticals

Earlier known as Novartis India Limited was incorporated in 1947, EPL is listed on BSE. It was subsidiary of Novartis AG. Following the change in control completed on July 29, 2026, EPL is controlled by a Chrys Capital affiliate. It markets branded formulations in India and follows an asset-light operating model, relying on contract manufacturers for product supply. Its legacy portfolio comprises Voveran, Methergin, Calcium Sandoz, Macalvit, Trioptal and Tegrital. In September 2026, EPL acquired the Minipress brand and entered an exclusive promotion and distribution agreement for Accentrix and Pagenax.

Brief Financials (₹ crore)	FY25 (A)	FY26 (A)	Q1FY27 (UA)
Total operating income	356	354	104
PBILDT	91	94	35
Profit after tax (PAT)	100	93	32
Overall gearing (x)	0.01	0.00	NA
Interest coverage (x)	172.49	261.47	NM

A: Audited; UA: Unaudited; NA: Not available; NM: Not meaningful; Note: these are latest financial results available
Financials are reclassified per CareEdge Ratings' standards.

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-	-	-	-	200.00	CARE A; Stable / CARE A2+
Term Loan-Long Term	RBI	Simple	-	-	-	30-06-2032	800.00	CARE A; Stable

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	Fund-based - LT/ST-Working Capital Limits	LT/ST	200.00	CARE A; Stable / CARE A2+	-	-	-	-
2	Term Loan-Long Term	LT	800.00	CARE A; Stable	-	-	-	-

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: 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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