

Corona Remedies Limited

October 09, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term / Short-term bank facilities	RBI	70.00	CARE A+; Stable / CARE A1+	Upgraded from CARE A+; Stable / CARE A1
Long-term bank facilities	RBI	7.00 (Reduced from 25.00)	CARE A+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in the short-term rating assigned to bank facilities of Corona Remedies Limited (CRL) considers the company's strengthened liquidity profile, supported by growing scale of operations, improving profitability, prudent working capital management, and minimal reliance on external borrowings.

Ratings continue to derive strength from its qualified and experienced management with established presence in the Indian pharmaceutical branded generic formulation segment, diversified product portfolio, and wide marketing and distribution network. Ratings also factor in CRL's comfortable capital structure and healthy debt coverage indicators.

However, ratings 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 ₹2,500 crore while maintaining profit before interest, lease rentals, depreciation and tax (PBILDT) margin over 20% on a sustained basis.
- Maintaining efficient operating cycle leading to healthy cash flow from operations on a sustained basis.

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

Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that CRL is likely to sustain its operating metrics and comfortable financial risk profile, going forward, with growing scale of operations and strong liquidity position.

Detailed description of key rating drivers

Key strengths

Diversified product portfolio with focus on chronic and sub chronic segment

CRL has a wide portfolio of over 368 products with 79 brands including leading brands, which includes B29, Myoril, Tricium, Cortel, and Rosules, among others. Revenue remains moderately diversified, with top 10 brands accounting for ~50% of TOI in FY26 and ~52% in Q1FY27 across major four therapeutic segments (women's healthcare, Cardio-Diabeto, Pain Management, and Urology). The focus on chronic/sub-chronic therapies with ~70% contribution in TOI, supports earning stability. CRL operates three manufacturing facilities, with two European Union Good Manufacturing Practice (EU-GMP) approved units at Bhayla, Ahmedabad (Gujarat) and one at Solan (World Health Organization (WHO)-GMP approved)), Himachal Pradesh.

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.

Wide marketing and distribution network

CRL has pan-India marketing and distribution network with strong team of over 3,111 field medical representative (MR) as on June 30, 2026. This marketing team is across India, covering over 180,000 doctors and over 2,50,000 pharmacies. CRL has four warehousing facilities, and 22 clearing and forwarding (C&F) facilities, enabling faster movement of its products across India. CRL is a domestic formulation company generating ~96% of total revenue from domestic market.

It derives major revenue from western India forming ~45% followed by North and South India each forming ~20-21% and East India forming ~14% of domestic revenue in FY26 (FY25: 46%, 20%, 20%, 14%). CRL is expanding its footprint across India and expects to expand to regulated international market in the medium term.

Significant growth in the TOI and healthy profitability

CRL's TOI grew by ~17% year-on-year (y-o-y) to ₹1,405.59 crore in FY26 (FY25: ₹1,197.08 crore), driven by deeper penetration of existing brands and new launches, primarily in chronic and semi-chronic segments. The company's growth has been supported by organic initiatives, including new brand launches and capacity additions, and inorganic initiatives, such as acquisitions of brands from large multinational companies and in-licensing and co-marketing arrangements with Ferring Pharmaceuticals. The acquired brands have reported healthy scale-up after acquisition, reflecting CRL's marketing and distribution capabilities. In FY26, CRL acquired seven brands from Bayer Zydus Pharma, strengthening its presence in fertility and cardiac segments. It also acquired Wokadine from Dr. Reddy's Laboratories, marking its entry into the Povidone Iodine (antiseptic) therapeutic category.

CRL reported a healthy profitability with PBILDT margin of 21.09% in FY26 (FY25: 20.16%), supported by improving MR productivity and rationalization of costs. Consequently, gross cash accruals (GCA) too increased by 19% y-o-y to ₹226.54 crore in FY26.

Continuing its growth momentum, CRL reported TOI of ₹422.43 crore with PBILDT margin of 22.05% and GCA of ₹73.34 crore in Q1FY27. CareEdge Ratings expects CRL's TOI to grow by ~15% with stable profitability, given CRL's presence in the chronic segments with its majority key brands in the growing phase of life cycle.

Comfortable financial risk profile

CRL's financial risk profile remains strong, underpinned by a healthy net worth of ₹745.26 crore as on March 31, 2026, and a comfortable capital structure, with overall gearing of 0.05x as on March 31, 2026 (PY: 0.12x). CRL's debt coverage indicators continued to remain strong marked by a PBILDT interest coverage and total debt to GCA (TD/GCA) of 42.52x and 0.17x, respectively, in FY26 (FY25: 22.76x and 0.40x, respectively). CareEdge Ratings expects CRL to sustain its strong liquidity position and comfortable credit risk metrics going forward, given its prudent working capital management resulting in healthy free cash flow generation and reducing reliance on external funding.

CRL recently completed two capex at a total cost of ~₹195 crore, which was entirely funded through internal accruals. In December 2025, it completed capacity expansion capex of its Oral Doild Drugs (OSD) plant and in June 2026 it commercialised women's hormone manufacturing facility. Achieving the envisaged benefits from these projects would remain crucial from the overall credit perspective.

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 and Chief Executive Officer [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.

Key weaknesses**Limited geographical diversification**

The company has limited geographical diversification with sales in the domestic market accounting for ~96% of overall revenue in FY26 (FY25: 96%) and remaining from export market. While the company's domestic sales are growing at healthy pace, the management intends to expand to export market gradually in the 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 FY26, share of in-house manufacturing stood at ~64% of net sales (FY25: 64%), while the balance was from contract manufacturing. Although contract manufacturing keeps the business model asset light, it may pose 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 in the medium term.

Presence in competitive industry and exposure to increasing regulatory risk

CRL is exposed to regulatory risks inherent to the pharmaceuticals industry. Players in the industry need to adhere to stringent quality standards. 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 ~7-8% of its revenue from products covered under DPCO, which provides it a pricing flexibility. CRL currently caters mainly to the domestic market through its EU-GMP approved plant. In FY26, CRL achieved Eurasian Economic Union (EAEU) GMP certification, unlocking access to Eurasian markets. 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 free liquid investments including cash and bank balance, and low working capital utilisation. Average fund-based working capital utilisation remained low at ~5% for 10 months ended July 2026, providing additional liquidity cushion. CRL is expected to generate GCA of ~₹250-280 crore against low debt repayment obligation of ~₹19 crore in FY27 (inc. lease liability of ~₹3 crore). It has free cash and liquid investments of ₹43.97 crore as on March 31, 2026.

Cash flow from operations remained healthy at ₹252.15 crore in FY26 (FY25: ₹188.40 crore). Current and quick ratio remained comfortable at 1.37x and 0.97x, respectively, as on March 31, 2026, against 1.30x and 0.90x, respectively, as on March 31, 2025.

Debtor and inventory days largely remained aligned with the previous year at 34 days and 47 days, respectively, in FY26. Consequently, the company's operating cycle remained moderate at 34 days in FY26 (FY25: 34 days).

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks:

Risk Factors	Compliance and action by the company
Environmental	CRL focuses on improving energy efficiency, reducing waste and strengthening responsible practices across operations and the supply chain. CRL has a solar power plant of 1.3 MW at Bhayla Plant and 4.25 MW in a solar park spread across 11.9 acres. It has Effluent Treatment Plant (ETP) at the Bhayla Plant for achieving zero liquid discharge.
Social	CRL has implemented a Corporate Social Responsibility (CSR) Policy and undertakes CSR initiatives in areas such as medical and healthcare initiatives, women empowerment programs, promotion of education, animal welfare activities, eradication of hunger, poverty and malnutrition, and other socially impactful activities. The company spent ~₹3 crore in FY26 towards community initiatives.
Governance	The company has all required committees in place such as corporate social responsibility, vigil mechanism and whistle blower policy among others. Its board of director comprises eight directors, which include four independent directors and one-woman director.

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 June 30, 2026, CRL operated three manufacturing units, one at Solan, Himachal Pradesh, an OSD formulation unit and a Female Hormone Formulations unit at Ahmedabad (commenced operation in June 2026).

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	1,197.08	1,405.59	422.43
PBILDT*	241.35	296.39	93.13
Profit after tax (PAT)	149.05	184.85	60.10
Overall gearing (x)	0.12	0.05	NA
Interest coverage (x)	22.76	42.52	34.62

A: Audited; UA: Unaudited; NA: Not available; 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

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	NA	-	-	-	31-05-2028	7.00	CARE A+; Stable
Fund-based/Non-fund-based-LT/ST	RBI	NA	-	-	-	-	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 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/Non-fund-based-LT/ST	LT/ST	70.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1 (09-Feb-26)	1)CARE A+; Stable / CARE A1 (12-Nov-24) 2)CARE A; Stable / CARE A1 (05-Apr-24)	-
2	Fund-based - LT-Term Loan	LT	7.00	CARE A+; Stable	-	1)CARE A+; Stable (09-Feb-26)	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: 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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