

Innova Captab Limited

October 07, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	419.60 (Reduced from 426.72)	CARE A+; Stable	Upgraded from CARE A; Positive
Short-term bank facilities	RBI	40.00	CARE A1+	Upgraded from CARE A1

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Upgrade in ratings assigned to the bank facilities of Innova Captab Limited (ICL) factors in the sustained improvement in its scale of operations in FY26 (refers to April 01 to March 31) and Q1FY27 (refers to April 01 to June 30), driven by growth across its two business verticals, contract development and manufacturing organisation (CDMO) and branded generics, which was further supported by incremental contribution from the newly commissioned Jammu facility catering to both verticals. Upgrade in ratings also considers the improvement in the company's capital structure and debt coverage indicators, supported by healthy cash accruals and accretion to net worth. Ratings continue to derive strength from experienced promoters and their established track record in the pharmaceutical industry, internationally accredited manufacturing facilities, diversified product portfolio, and established relationships with reputed clientele. However, these rating strengths are partially offset by profitability margins susceptible to raw material price volatility, regulatory risks inherent in the pharmaceutical industry, and intense competition in the CDMO vertical.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant improvement in the scale of operation while maintaining profit before interest, lease rentals, depreciation and tax (PBILDT) margin over 20% on a sustained basis.
- Improvement in total debt to gross cash accruals (TD/GCA) to below 1x on a sustained basis.

Negative factors

- Significant decline in scale of operations and/or PBILDT margin declining below 12% on a sustained basis.
- Significant debt-funded capital expenditure or acquisition, other than envisaged, leading to TD/ PBILDT exceeding 2.00x on a sustained basis.
- Elongation in working capital cycle above 120 days on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered a consolidated view of financials of ICL, its subsidiaries, and step-down subsidiary, considering common promoters and presence of operational and financial linkages among the entities. List of consolidated entities is provided under Annexure-5.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that ICL will sustain its operating performance, driven by volume growth in CDMO and branded generics businesses, due to its association with established domestic pharmaceutical companies. The company is also expected to maintain its comfortable financial risk profile, supported by healthy cash accruals and low leverage.

Detailed description of key rating drivers

Key strengths

Sustained improvement in operational performance

ICL's consolidated total operating income (TOI) grew by ~31% in FY26 to ₹1,631 crore (PY: ₹1,249 crore), supported by continued growth in CDMO and branded generics businesses, and incremental contribution from the newly commissioned Jammu manufacturing facility. The Jammu facility contributed ~₹300 crore in FY26, despite operating at low-capacity utilisation level

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.

during its initial year of operations. The company continued to benefit from its established CDMO customer base of over 350 customers, and diversified presence across domestic and international branded generics markets.

The PBILDT margin moderated marginally to 14.93% in FY26 from 15.33% in FY25, primarily owing to operating losses at the Jammu facility, during the stabilisation phase and increasing contribution to scale from the relatively moderate-margin CDMO business. In absolute terms, PBILDT increased by ~27% to ₹243 crore in FY26 (PY: ₹192 crore), supported by the growth in TOI. Going forward, improvement in capacity utilisation at the Jammu facility and consequent better absorption of fixed overheads remains a key monitorable.

Q1FY27 (refers to April 01 to June 30): The growth momentum continued in Q1FY27, with the company reporting TOI of ₹471 crore compared to ₹352 crore in Q1FY26, reflecting growth of ~34%. PBILDT margin also improved to 15.53% from 14.82% in Q1FY26, driven by improvement in operating efficiencies with increasing scale of operations.

Strong financial risk profile

The company's financial risk profile improved and continued to remain strong in FY26, supported by healthy cash accruals and a growing tangible net worth (TNW) base. Overall gearing improved to 0.32x as on March 31, 2026, from 0.36x as on March 31, 2025, despite TD remaining broadly stable at ₹344 crore (PY: ₹338 crore). TNW increased to ₹1,065 crore from ₹931 crore over the same period, supported by accretion of profits to reserves.

Debt coverage indicators also strengthened, with PBILDT interest coverage steady at 14.41x in FY26, while TD/GCA improved to 1.65x from 2.00x. Going forward, the financial risk profile is expected to remain comfortable, considering healthy cash accruals and absence of incremental term debt in the medium term, despite the proposed capacity expansion.

Experienced promoters

Incorporated in 2005, ICL is promoted by Manoj Kumar Lohariwala and Vinay Lohariwala. Both promoters have over two decades of experience in manufacturing and marketing pharmaceutical products. Promoters are actively involved in the day-to-day operations and are supported by a highly qualified and experienced team across domains.

Internationally accredited manufacturing facilities

The company's manufacturing facilities are accredited by multiple regulatory authorities, including World Health Organization – Good Manufacturing Practices (WHO-GMP), European Union – Good Manufacturing Practices (EU-GMP), and United Kingdom – Medicines and Healthcare products Regulatory Agency (UK-MHRA). It also holds drug manufacturing licences for formulations from Himachal Pradesh State Drug Controlling and Licensing Authority.

Following the acquisition of Sharon Bio-Medicine Limited (Sharon), the group's exposure to regulated markets has increased. The company also has approvals to market products in semi-regulated countries. Timely receipt of requisite regulatory approvals for the new Jammu plant remains a key rating monitorable.

Reputed client base and diversified product portfolio

The company has been engaged in contract manufacturing pharmaceutical formulations since 2005, resulting in long-standing relationships with reputed domestic and international customers. In addition to contract manufacturing, it markets products under its own brands through its wholly owned subsidiary, Univentis Medicare Limited (UML). The company's product portfolio includes a wide range of dosage forms, such as tablets, capsules, syrups, and injectables, catering to multiple therapeutic segments including anti-allergic, anti-diabetic, analgesic, anti-malarial, antibiotics, dietary supplements, steroids, and anti-inflammatory products.

The group's product mix was further diversified through the acquisition of Sharon, which is engaged in manufacturing formulations and active pharmaceutical ingredients (APIs). Sharon's portfolio primarily covers acute therapies, with an expanding presence in chronic therapies.

Key weaknesses

Profitability margins susceptible to raw material price volatility

APIs, key raw material for pharmaceutical formulations, remain susceptible to price volatility, owing to factors, such as supply-demand mismatches and import dependence. Given the competitive nature of the generic formulations industry, the company's ability to fully pass on sharp increases in input costs may remain constrained, exposing its profitability to fluctuations in raw material prices. However, cost pass-through arrangements in the CDMO business provide some mitigation against such volatility.

Highly competitive and fragmented industry with inherent regulatory risks

The group operates in generic formulations and CDMO vertical, which are characterised by intense competition and the presence of several organised and unorganised players. The pharmaceutical industry is highly regulated, requiring continuous adherence to stringent product quality and manufacturing standards across geographies. Adverse regulatory observations or non-compliance may affect manufacturing operations, product approvals, and business prospects. However, the company's internationally accredited manufacturing facilities and established track record provide some comfort.

Liquidity: Strong

The company's liquidity remains strong, supported by healthy cash accruals, and comfortable debt coverage metrics. ICL had cash and liquid investments of ~₹110 crore as on March 31, 2026, while the current ratio remained comfortable at 1.88x (PY: 1.89x). Average utilisation of working capital limits remained moderate at ~60% for 12 months ended July 2026. The company is expected to generate healthy GCA in FY27, providing adequate cushion against scheduled debt repayments.

Environment, social, and governance (ESG) risks

ESG risks primarily emanate from stringent regulatory and compliance requirements associated with the pharmaceutical industry, particularly in relation to product safety, manufacturing quality, waste management, and environmental compliance. Environmental risks include management of effluents and chemicals, while social risks encompass employee health and safety and responsible business practices. Governance risks primarily relate to compliance with regulatory standards, data integrity, and transparency in disclosures. Material non-compliance may lead to regulatory action, reputational damage, or disruption in operations.

The company has established governance and sustainability-related policies, including its vigil mechanism and whistleblower policy, Code of Practices, Board Diversity Policy, Corporate Social Responsibility (CSR) Policy, and ESG Policy, which provide a framework for managing associated ESG risks.

Applicable criteria

[Consolidation](#)

[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 2005, ICL is engaged in contract manufacturing pharmaceutical formulations for domestic and foreign pharmaceutical companies. ICL had a customer base of 350 CDMO customers as on March 31, 2026. ICL is also engaged in exporting formulations to over 30 countries majorly in semi-regulated markets. The Innova Group operates five manufacturing facilities, comprising two units in Baddi, Himachal Pradesh and one unit each in Kathua, Jammu and Kashmir; Dehradun, Uttarakhand; and Taloja, Maharashtra.

Consolidated financials:

Brief Financials (In ₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	1249.05	1630.58	470.85
PBILDT	191.53	243.49	73.11
PAT	127.25	143.18	44.13
Overall gearing (times)	0.36	0.32	NA
Interest coverage (times)	79.64	14.41	16.50

A: Audited; UA: Unaudited; NA: Not available; Note: These are latest available financial results.

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	-	-	-	30-09-2032	236.60	CARE A+; Stable
Fund-based - LT-Working Capital Limits	RBI	NA	-	-	-	-	183.00	CARE A+; Stable
Non-fund-based - ST-BG/LC	RBI	NA	-	-	-	-	40.00	CARE A1+

NA: not applicable

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-Term Loan	LT	236.60	CARE A+; Stable	1)CARE A; Positive (17-Apr-26)	1)CARE A; Positive (19-Sep-25)	1)CARE A; Stable (04-Sep-24)	1)CARE A-; Negative (27-Sep-23) 2)CARE A-(RWN) (30-May-23)
2	Fund-based - LT-Working Capital Limits	LT	183.00	CARE A+; Stable	1)CARE A; Positive	1)CARE A; Positive	1)CARE A; Stable (04-Sep-24)	1)CARE A-; Negative (27-Sep-23)

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
					(17-Apr-26)	(19-Sep-25)		2)CARE A- (RWN) (30-May-23)
3	Fund-based - ST-Working Capital Limits	ST	-	-	-	-	1)Withdrawn (04-Sep-24)	1)CARE A2+ (27-Sep-23) 2)CARE A2+ (RWN) (30-May-23)
4	Non-fund-based - ST-BG/LC	ST	40.00	CARE A1+	1)CARE A1 (17-Apr-26)	1)CARE A1 (19-Sep-25)	1)CARE A1 (04-Sep-24)	1)CARE A2+ (27-Sep-23) 2)CARE A2+ (RWN) (30-May-23)

LT: Long term; ST: 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](#)

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Univentis Medicare Limited	Full	Subsidiary
2	Univentis Foundation	Full	Subsidiary
3	Sharon Bio-Medicine Limited	Full	Step-down subsidiary

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 Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Sachin Mathur Director CARE Ratings Limited Phone: 91-120-4452054 E-mail: sachin.mathur@careedge.in
Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Sandeep Aggarwal Associate Director CARE Ratings Limited Phone: 0120-4452072 E-mail: Sandeep.aggarwal@careedge.in
	Rohit Bhatia Lead Analyst CARE Ratings Limited E-mail: Rohit.Bhatia@careedge.in

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**