

Marksans Pharma Limited

October 07, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	135.00	CARE AA-; Stable	Reaffirmed
Short-term bank facilities	RBI	120.75	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to bank facilities of Marksans Pharma Limited (MPL) continue to reflect sustained improvement in operational performance, evidenced by growth in total operating income (TOI) in FY26 (FY refers to April 01 to March 31) and Q1FY27, and continued healthy profitability.

Ratings continue to derive strength from MPL's comfortable capital structure and debt coverage indicators, and its strong liquidity. Ratings also factor in strong promoter background with over 30 years of experience in the pharmaceutical industry, long and established track record of MPL, accredited manufacturing facilities, diversified geographical presence and strong product pipeline.

CARE Ratings Limited (CareEdge Ratings) also draws comfort from MPL's strategic focus on the generic pharmaceutical segment, which currently remains exempt from tariffs in the US. The company's manufacturing presence in the US through its subsidiary provides some degree of operational flexibility and partially mitigate risks associated with evolving trade policies. Further developments related to the tariff regime will remain a key monitorable.

These strengths are partially offset by its presence in a highly regulated pharmaceutical industry, intense competition in overseas markets with major presence in the over-the-counter (OTC) segment, revenue concentration risk due to high dependence on few therapeutic segment, exposure to risk associated with inorganic growth plans, non-renewal of contracts under private label contract manufacturing and foreign exchange fluctuation risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in scale of operations through greater revenue diversification across geographies and therapeutic segments, while maintaining healthy profitability and strong financial risk profile.

Negative factors

- Total operating income (TOI) below ₹2,000 crore and/or PBILDT margin below 18% on a sustained basis.
- Adverse regulatory action against MPL.
- Large debt-funded capital expenditure or acquisitions leading to weakening of credit risk profile.

Analytical approach: Consolidated

CareEdge Ratings has adopted consolidated approach for MPL's credit assessment due to strong operational, financial and managerial linkages with its subsidiaries/step-down subsidiaries. Entities being consolidated with MPL are listed under Annexure-5.

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that MPL's business risk profile will remain healthy supported by its steadily growing revenue streams and stability in profitability. MPL's strong capital structure and liquidity is expected to continue, backed by healthy cash flow generation, which shall support its credit profile in the medium term.

Detailed description of key rating drivers

Key strengths

Growing scale of operations with healthy profitability

MPL's TOI grew by ~14% and ~36% y-o-y in FY26 and Q1FY27 respectively. Growth was primarily driven by robust performance in key markets, notably the USA, Australia and New Zealand, supported by new product launches. The UK and Europe business

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.

revenue was marginally impacted in FY26 due to pricing pressure in early FY26; however, it witnessed strong rebound with ~75% y-o-y growth in Q1FY27. MPL continues to maintain healthy profitability, with PBILDT margin at 21.70% in FY26 (20.89% in FY25) and 25.34% in Q1FY27. Elevated PBILDT margin in Q1FY27 was primarily due to inventory gain in the period. MPL is expected to maintain PBILDT margin of ~20-21% in the medium term while sustaining its growth trajectory.

Diversified geographical presence with accredited manufacturing facilities in the US, the UK and India and large product portfolio

MPL has four manufacturing units (including one acquired from Teva) – two in Goa, India and one each in the USA and the UK. The company has four R&D centres in Goa, Navi Mumbai, the UK, and the US. All manufacturing facilities are accredited by several health authorities of regulated markets. Indian facilities are accredited by USFDA, UK-MHRA, Brazil-ANVISA, and Australia-TGA, Canada-HPFB, and Japan-PMDA. The USA and the UK facilities are accredited by USFDA and UK-MHRA respectively.

MPL sell its products in over 50 countries, with majority revenue generated from regulated markets. The US and North America contributed ~52% to MPL's total sale in FY26 followed by the UK and Europe contributing ~35%; with ~80% of total sales coming from the OTC segment and the balance from prescription drugs. Within the OTC segment, MPL manufactures products for leading retail/pharmacy chains, which account for ~85% of OTC revenue, while a portion is sold under its own label, manufactured at its US-based facility. Business model which is skewed towards OTC products supports stable demand/profitability and customer stickiness through private-label partnerships with large retailers/pharmacies. Manufacturing facilities in India, the US and the UK provide some degree of operational flexibility and mitigate direct impact of change in trade policies, if any. MPL's geographically diversified revenue base helps reduce its exposure to economic or regulatory risks in any single geography.

MPL maintains a pipeline of over 200 products with a target of 20-25 new launches annually to achieve complete coverage in its key therapeutic segments. It has over 350 abbreviated new drug applications or marketing authorisations (ANDAs/Mas) approved and over 30 ANDAs/MAs filed that are awaiting approval.

Strong financial risk profile

MPL's capital structure continues to be comfortable with overall gearing (gross debt basis) of 0.11x as on March 31, 2026 (0.13x as on March 31, 2025) due to negligible reliance on external debt for its capex/working capital requirement. The company is net debt free, with cash and liquid investments of ₹989 crore against total debt of ₹343 crore (includes finance lease liability of ₹314 crore) as on March 31, 2026. Total gross debt/PBILDT and PBILDT interest coverage ratio remained strong at 0.53x and 27x respectively for FY26 (0.58x and 47x respectively for FY25). MPL's capital structure and debt coverage indicators are expected to remain healthy in the medium term, supported by healthy cash flow generation and absence of any debt-funded capital expenditure/investment plan.

Key weaknesses

Segment concentration risk

The company has product portfolio across chronic and acute therapeutic segments such as pain management, cough and cold, cardiovascular, gastrointestinal, anti-diabetic, anti-allergic, central nervous system, and vitamins and supplements. However, MPL derives ~45% of its revenue from pain management segment, followed by ~16% from cough/cold and, ~13% from gastrointestinal segments.

The company is actively pursuing diversification in its therapeutic segments. However, the pain management segment is likely to remain the major contributor to total sales in the near term, indicating segment concentration risk. As of March 31, 2026, the company has over 350 approved ANDAs and MAs, with over 30 filings awaiting approval and a pipeline of over 200 products under development; which could reduce segment concentration risk to an extent in the medium term.

Exposure to risk associated with regulations and inorganic growth

MPL operates in a highly competitive international pharmaceutical market, where increasing regulatory scrutiny and heightened sensitivity towards product performance remain key challenges. The global pharmaceutical industry is subject to stringent regulations due to its direct impact on public health. Regulatory frameworks, including patent laws, may restrict the company's ability to launch new products or expand into certain geographies. Changes in tax structures/tariffs can influence cost structures and market access. While MPL's manufacturing sites continue to successfully clear regulatory audits conducted by leading global regulatory agencies, unanticipated actions by these agencies may impact the company's credit profile and will remain a key monitorable.

MPL's growth strategy includes inorganic expansion entailing acquisition of product licences and businesses in regulated market; exposing the company to risk associated with integration, execution and adequate monetisation of these acquisitions in regulated markets. However, this risk is mitigated to an extent by the company's prudent approach of largely cash funded modular acquisitions supported by its strong balance sheet.

Intense competition and exposure to product pricing and foreign exchange fluctuation risk

MPL mainly sell generic products, which are subjected to high competition and price sensitivity. MPL sell majority products through large retailers/pharmacies under private label category in regulated markets basis contractual arrangement of ~3 years. Accordingly, renewal of key contracts and ability to secure new contracts shall remain critical for the company's growth. Per contractual terms, product prices are fixed for the contract tenure where any material changes in raw material prices may impact the company's profitability.

MPL operates in international markets and undertakes majority business transactions in foreign currencies. The company's overall foreign currency exposure is mainly denominated in USD and Euro. Although, MPL being net exporter, rupee depreciation against the US dollar has helped company in the past; in the absence of active hedging policy, MPL's profitability is susceptible to adverse volatility in forex rates.

Liquidity: Strong

Strong liquidity is marked by strong cash accruals, cash and liquid investments of ~₹1,058 crore and unutilised fund-based working capital limit of ~₹100 crore as on June 30, 2026, against nil debt repayment obligations. With gearing of 0.11x as on March 31, 2026, the company has sufficient gearing headroom to raise additional debt for its capital expenditure/investments. Working capital cycle stood elongated at 181 days in FY26 (163 days in FY25) primarily due to higher inventory due to new product launches.

Environment, social, and governance (ESG) risks

Environment	MPL focuses on improving energy efficiency, reducing waste and strengthening responsible practices across operations and supply chain, which includes reducing greenhouse gas emissions, sustainable waste disposal target by 2028, reducing carbon footprint through packaging optimisation and reducing annual virgin plastic usage in packaging through supplier and customer collaboration.
Social	The company spent ₹3.52 crore in FY26 for 34 CSR projects which includes healthcare, education & training, environment, food distribution and wellbeing of women and children.
Governance	In line with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, MPL has adopted requisite policies and codes applicable to listed entities. These are reviewed and updated periodically to ensure continued alignment with regulatory requirements. MPL has constituted Board committees to support effective governance and oversight across key areas. Each committee operates under a defined charter and comprises members of the Board, enabling focused supervision of specific functions in line with regulatory requirements and organisational objectives. Of the eight directors on the board of MPL, two are women directors and four are independent directors.

Applicable criteria

[Rating Outlook and Rating Watch](#)

[Definition of Default](#)

[Manufacturing Companies](#)

[Pharmaceuticals](#)

[Consolidation](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial Sector Entities](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals and biotechnology	Pharmaceuticals

Incorporated in 1992, MPL is engaged in manufacturing generic pharmaceutical formulations and has presence in varied therapeutic segments. The company has four manufacturing plants – two in India, one each in the US, and the UK, and four research & development center – two in India, one each in the US, and the UK.

Brief Financials (₹ crore) - Consolidated	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	2,642	3,001	841
PBILDT	552	651	213
PAT	383	420	159
Overall gearing (times)	0.13	0.11	NA
PBILDT Interest coverage (times)	47.34	27.00	30.42

A: Audited UA: Unaudited; 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-Cash Credit	RBI	Simple	-	-	-	-	100.00	CARE AA-; Stable
Fund-based - LT-Proposed fund based limits	RBI	Simple	-	-	-	-	35.00	CARE AA-; Stable
Non-fund-based - ST-Bank Guarantee	RBI	Simple	-	-	-	-	2.00	CARE A1+
Non-fund-based - ST-Forward Contract	RBI	Simple	-	-	-	-	18.75	CARE A1+
Non-fund-based - ST-Letter of credit	RBI	Simple	-	-	-	-	75.00	CARE A1+
Non-fund-based - ST-Proposed non fund based limits	RBI	Simple	-	-	-	-	25.00	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 - LT-Cash Credit	LT	100.00	CARE AA-; Stable	-	1)CARE AA-; Stable (06-Oct-25)	1)CARE A+; Positive (07-Oct-24)	1)CARE A+; Stable (06-Oct-23)
2	Non-fund-based - ST-Letter of credit	ST	75.00	CARE A1+	-	1)CARE A1+ (06-Oct-25)	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (06-Oct-23)
3	Non-fund-based - ST-Bank Guarantee	ST	2.00	CARE A1+	-	1)CARE A1+ (06-Oct-25)	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (06-Oct-23)
4	Non-fund-based - ST-Forward Contract	ST	18.75	CARE A1+	-	1)CARE A1+ (06-Oct-25)	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (06-Oct-23)
5	Fund-based - LT-Proposed fund based limits	LT	35.00	CARE AA-; Stable	-	1)CARE AA-; Stable (06-Oct-25)	1)CARE A+; Positive (07-Oct-24)	1)CARE A+; Stable (06-Oct-23)
6	Non-fund-based - ST-Proposed non fund based limits	ST	25.00	CARE A1+	-	1)CARE A1+ (06-Oct-25)	1)CARE A1+ (07-Oct-24)	-

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 Entity	Extent of Consolidation	Rationale for consolidation
1	Marksans Pharma (UK) Limited	Full	Subsidiaries and step-down subsidiaries with strong operational, financial and managerial linkages
2	Marksans Holdings Limited	Full	
3	Bell, Sons and Co. (Druggists) Limited	Full	
4	Relonchem Limited	Full	
5	Marksans Pharma Inc.	Full	
6	Time-Cap Laboratories Inc.	Full	
7	Custom Coatings Inc.	Full	
8	Marksans Realty LLC	Full	
9	Marise Ann Inc.	Full	
10	Nova Pharmaceuticals Ltd.	Full	
11	Nova Pharmaceuticals Australasia Pty Ltd	Full	
12	Access Healthcare for Medical Products LLC	Full	
13	Marksans Pharma GmbH	Full	
14	Marksans Pharma (Europe) Limited	Full	
15	Marksans (Canada) Inc.	Full	

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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