



Press Release
CPL PHARMACEUTICALS PRIVATE LIMITED
October 10, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	520.00	ACUITE A- Stable Assigned	-
Total Outstanding Quantum (Rs. Cr)	520.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned the long-term rating of '**ACUITE A-**' (read as **ACUITE A minus**) on the Rs. 520.00 crore bank facilities of CPL Pharmaceuticals Private Limited (CPPL). The outlook is '**Stable**'.

Rationale for Rating

The rating assigned factors the completion of both greenfield projects in Dahej and Udaipur at CPPL, and the commencement of commercial operations of the same. The rating draws comfort from the significant improvement in Cadila Pharmaceuticals Limited's (CPL - parent company) liquidity position and the expected improvement in CPPL, on account of prepayment of substantial debt portion due over next two years, facilitated through internal accruals and long term finances with elongated maturity. It further takes into account the established presence of the group across the pharmaceutical value chain, with a diversified product portfolio of over 850 products across 300 brands. The group's operations span R&D, APIs, formulations, and marketing, supported by a strong domestic footprint and a global reach extending to over 100 countries. Further, despite reporting stable revenues over the past three years, the group has demonstrated improving operating margins driven by cost optimization. It has also received promoter support in the form of compulsorily convertible debentures and unsecured loans (USLs). These strengths are offset by elevated debt levels resulting from capex spending over the past 3-4 years and weakening debt protection metrics. However, these are expected to improve with the commencement of operations across all plants and capex investments. Furthermore, the group's substantial investments in liquid shares in India and overseas provide additional financial support. The rating also considers regulatory risks across multiple jurisdictions and the impact of shifting international trade policies, which may affect compliance, reputation, and export revenues.

About the Company

Established in 2021, CPL PHARMACEUTICALS PRIVATE LIMITED (CPPL) is a wholly owned subsidiary of Cadila Pharmaceuticals Limited (CPL). The company has developed two greenfield manufacturing facilities: one for Active Pharmaceutical Ingredients (API) in Dahej, Gujarat, with an installed capacity of 127.13 MTPA, and another for lyophilised injectable formulations in Udaipur, Rajasthan, with an annual capacity of 9.66 million units. CPPL achieved Commercial Operation Date (COD) for the API plant in February 2024, followed by COD for the formulation plant on September 22, 2025.

The current directors of the company are Mr. Ramesh Ratilal Choksi, Mr. Amitabha Banerjee, Mr. Rajiv Rajiv Modi, Mr. Biswajit Mitra and Mr. Kamlesh Navaratnalal Shah

Gujrat based, Cadila Pharmaceuticals Limited (CPL) was incorporated in the year 1991. The company is engaged in research, development, and manufacturing of pharmaceutical products across numerous therapeutic areas, including active pharmaceutical ingredients (APIs), finished pharmaceutical formulations, and biotechnology products. The group has its presence in more than 45 therapeutic areas spread across twelve specialties. It caters to cardiovascular, gastrointestinal, analgesics, hematinics, anti-infectives & antibiotics, respiratory agents, antidiabetics and immunological therapeutic segments amongst several others. Currently, CPL has four manufacturing facilities each located at Ankleshwar, Dholka, Jammu and Addis Ababa (Ethiopia) (62.5% JV). The current directors of the company are Mr. Rajiv Indravadan Modi, Mr. Ramesh Ratilal Choksi, Mr. Abhijat Chandrakant Sheth, Mr. Girdhar Prem Balwani, Mr. Subir Kumar Das, Mr. Rajiv Rajiv Modi, and Mr. Parul Nikunj Shah

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

To arrive at the rating of CPL Pharmaceuticals Private Limited (CPPL), Acuite has consolidated the financial and business risk profile of CPPL along with its parent Cadila Pharmaceuticals Limited (CPL). The consolidation takes into account the similar line of business, cashflow fungibilities, operational linkages and common management. Acuite also factors in the corporate guarantee extended by CPL for the debt availed by its group entities and investment requirements in other group companies/subsidiaries.

Key Rating Drivers

Strengths

Established presence of the group

CPL is a seven decades old Indian multinational pharmaceutical and one of the largest privately held company based in Ahmedabad, Gujarat. Being an integrated pharmaceutical company, CPL has presence across the entire life sciences value chain i.e. R&D, API, formulations, marketing and development. It has its presence in more than 45 therapeutic areas spread across twelve specialties. Further, it has an international presence in 5 continents in over 100 countries. It also has a strong domestic footprint with nearly 60-65% of revenue derived from domestic market. Further, the manufacturing facilities of CPL are globally accredited by US FDA, PMDA Japan, EDQM Europe, WHO Geneva, Federal Commission for the Protection against Sanitary Risk (COFEPRIS), Therapeutic Goods Administration (TGA) Australia etc. On an overall basis, it has 1400+ formulations registered globally, filed applications for 457 patents globally of which 133 approved, filed applications for 30 Abbreviated New Drug Application (ANDA's) in US against which 16 ANDA's have been approved till date. Further, the group has a strong domestic marketing network with 3000+ field force and cover over 3,00,000+ doctors including all specialists and generalists.

Diversified product profile and focus on innovations

The revenue of group has been diversified across formulations (76.7% of FY25 revenues) & API (23.3%). Further, it is also engaged in undertaking contract manufacturing for generic formulations and APIs. The group has a large portfolio of over 850 products (including brand extension) spread across over 300 brands. Gastroenterology, cardiology, gynecology, diabetology and oncology are some of the key therapeutic segments being catered to. Furthermore, the group has a continued focus on developing innovative products to expand product portfolio and cater to multiple geographies. The recent API manufacturing capex at Dahej under CPPL features advanced distributed control system (DCS) automation technology and focuses on producing anti-hypertensive (Sartan) APIs. Further, the greenfield formulation plant at Udaipur specializes in producing lyophilized injectable products (which increases product longevity) for various therapeutic areas.

Improving operating margins despite stable scale of operations, expected to grow in the medium term

While the operating revenues of the group have remained stable over the past three years (Rs. 2585.47 Cr in FY25 (Prov.), Rs. 2529.94 Cr in FY24, Rs. 2524.9 Cr in FY23) owing to restructuring of the sales & marketing division and geopolitical disturbances in neighbouring markets of Sri Lanka, Bangladesh, etc, however, the operating margins have improved significantly from 4.85% in FY23 to 8.30% in FY24 and further improved to 10.21% in FY25 (Prov.). The improvement is attributable to multiple factors including input cost reduction, sales cost rationalisation and reduction in the administrative expenses. Going forward, with the commencement of operations of both Dahej (COD – February 2024) & Udaipur (September 2025) unit and completion of new API product – Fluoxetine (expected to start by Dec 2025), the scale of operations is expected to grow at a healthy pace. Further, the recent capex spends on machine replacements, optimization of intermediate costs within API segment and solvent extraction plant is expected to drive growth in margins as well. Moreover, the new plants in CPPL are primarily designed to cater to export markets (approval for Dahej from Europe received in August 2025) which would also contribute to better margins in the medium term.

Strong promoter support & resource mobilisation ability

The group receives strong support from promoters who infused Rs.234 Cr over FY24 and FY25, in the form of compulsory convertible debentures and unsecured loans, aimed at supporting the ongoing capex at CPPL and aiding the group's debt servicing. Further, in FY26, CPL prepaid substantial debts which resulted in reduction of loan instalment from ~Rs 427 Crores in FY26-FY27 to Rs ~296 Crores for the same period. These prepayments were facilitated through long maturing debt raise of Rs 406 Crores (Rs 211 Crores disbursed till Aug 31, 2025) and also supported by internal accruals. Further, CPPL is in discussion for raising debt of Rs 215 Crores, of which Rs 70-80 Crores to be utilised towards payments of outstanding Udaipur capex and balance shall be utilised towards unlocking of excess promoter margin and prepayment of existing loans thereby reducing obligations from Rs 120.54 Crores in FY26-FY27 to Rs 88.09 Crores for the same period.

Weaknesses

Elevated debt levels owing to capex spends

Over the past 3-4 yrs, the capex spends of the group increased significantly with ~Rs 600 Crores of capex at CPL and ~Rs.741.55 Crores (cost escalated from Rs.485.08 Crores) towards the Udaipur & Dahej project at CPPL. Therefore, this led to a significant elevation in the debt levels of the group from Rs.355.78 Crores in FY22 to Rs.1363.94 Crores in FY25. Further, the delay in COD & cost escalations at CPPL projects caused a stretch in cashflows for repayments. Therefore, the gearing remained high and debt protection metrics remained low over the years, servicing managed through promoter infusions, recovery of loans from group companies, etc. However, the recent debt prepayments at CPL and proposed prepayments at CPPL is expected to ease the debt metrics over the medium term.

Significant investments in and support extended to group companies & associates

CPL has significant investments in its group companies (excluding CPPL) comprising nearly ~47% of its net worth as on March 31, 2025. Of these, primary investments are in Satellite Overseas (Holdings) Ltd which is the investment arm of the Cadila group across the globe. The market value of listed investment as 21.09.2025 is over Rs 1,600 crore. Also, CPL has extended corporate guarantee of Rs.209.11 Crores as on March 31, 2025 (Rs.236.42 Crores as on March 31, 2024) which is primarily towards debt availed by a group company for acquisition of aircraft in 2022. Further, CPL also supports the debt servicing and operations & maintenance of this aircraft as reflected in its high transportation costs. Going forward, any substantial outflows to group companies & associates thereby causing a stretch in company's liquidity shall be a key rating monitorable.

Exposure to regulatory and international trade risks

Indian pharmaceutical companies face regulatory risk from domestic and international compliance requirements. In India, firms follow guidelines set by the Central Drugs Standard Control Organization (CDSCO), while abroad, they undergo inspections and approvals from

agencies such as the U.S. FDA and EMA. Lapses like data issues, manufacturing violations, or delayed filings can lead to warning letters, import bans, or product recalls, affecting revenue and reputation. As scrutiny grows, maintaining quality control and transparent operations helps reduce regulatory setbacks

Additionally, changes in international trade policies—such as the imposition of tariffs or duties on pharmaceutical exports—can impact cost competitiveness and market access, especially in key regulated markets. These tariff barriers may lead to margin pressures and require strategic pricing adjustments to sustain export volumes.

ESG Factors Relevant for Rating

Cadila Group follows Environmental, Social, and Governance (ESG) principles through several operational initiatives. It has introduced a greenhouse gas incentivization program to measure and manage climate impact. The company is building a supply chain focused on environmental and social standards, working closely with suppliers to maintain ethical practices. Cadila invests in technologies and processes that improve product quality and reduce environmental impact, including green chemistry, energy-efficient manufacturing, and waste reduction. On the social front, the company offers insurance benefits and health and safety policies for employees. Its corporate programs support rural development and promote gender equality and diversity. Cadila aims to align its decisions with the interests of patients, society, and the environment, guided by science and purpose.

Rating Sensitivities

- Improvement in scale of operations along with further improvement in operating margins.
- Higher than expected debt levels leading to deterioration in the financial risk profile.
- Stabilisation of operations at the new manufacturing facility
- Any stretch in working capital operations affecting the liquidity

Liquidity Position

Adequate

While the debt protection metrics of the group has remained below unity over the past 3-4 years, the debt servicing has been managed through promoter support, recovery from group companies, additional debt raise for reimbursements, etc. However, going forward with the onset of CPPL projects leading to generation of cash accruals and debt prepayments through long maturing debt raise, the debt protection metrics is expected to improve. Moreover, the working capital limits are also moderately utilised at CPL which provides additional liquidity cushion. Further, as articulated by the management, the dilution of investments of CPL in some of the listed entities can also provide liquidity buffers if required.

Outlook - Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	2585.47	2529.94
PAT	Rs. Cr.	19.70	66.40
PAT Margin	(%)	0.76	2.62
Total Debt/Tangible Net Worth	Times	1.45	1.37
PBDIT/Interest	Times	1.71	2.47

Status of non-cooperation with previous CRA (if applicable)

None

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A- Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	81.74	Simple	ACUITE A- Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Term Loan	13 Jul 2023	Not avl. / Not appl.	30 Jun 2030	198.98	Simple	ACUITE A- Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Term Loan	14 Jul 2022	Not avl. / Not appl.	09 Nov 2028	132.76	Simple	ACUITE A- Stable Assigned
Punjab National Bank	Not avl. / Not appl.	Term Loan	15 Oct 2024	Not avl. / Not appl.	19 Sep 2029	56.52	Simple	ACUITE A- Stable Assigned

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Entities
1	Cadila Pharmaceuticals Limited - CPL
2	CPL Pharmaceuticals Private Limited - CPPL

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About Acuité Ratings & Research

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