



November 29, 2025

Corporate Relationship Department  
BSE Limited  
Mumbai 400001

The Manager - Listing  
National Stock Exchange of India Ltd  
Mumbai 400051

**Scrip Code: 524816**

**Scrip Code: NATCOPHARM**

Dear Sir/Madam,

**Sub:-** Intimation of Credit Rating under Regulation 30 of the SEBI (LODR) Regulations, 2015

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations'), we wish to inform that ICRA Limited vide their letter No. ICRA/Natco Pharma Limited/28112025/2 dated November 28, 2025 has reaffirmed/assigned the credit ratings of the Company.

<b>Instrument</b>	<b>Previous rated amount (Rs. crore)</b>	<b>Current rated amount (Rs. crore)</b>	<b>Rating outstanding</b>
Long-term/short-term - Fund-based Working Capital Limits	930.00	930.00	[ICRA]AA (Stable)/ [ICRA]A1+; reaffirmed
Long Term/Short Term - Non-fund Based Working Capital Limits	120.00	120.00	[ICRA]AA (Stable)/ [ICRA]A1+; Reaffirmed
Long Term/ Short Term – Unallocated Limits	100.00	100.00	[ICRA]AA (Stable)/ [ICRA]A1+; Reaffirmed and assigned for enhanced amount
Long-term – Fund Based – Term Loan	-	400.00	[ICRA]AA (Stable); assigned for enhanced amount
Commercial Paper	400.00	400.00	[ICRA]A1+; reaffirmed

Copy of aforesaid letter issued by ICRA Limited is enclosed herewith as **Annexure**.

This is for your information and records.

Thanking you,

Yours faithfully,  
For NATCO Pharma Limited

Ch. Venkat Ramesh  
Company Secretary &  
Compliance Officer

Encl.: As above

November 28, 2025

## Natco Pharma Limited: Ratings reaffirmed

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long-term/short-term - Fund-based Working Capital Limits	930.00	930.00	[ICRA]AA (Stable)/ [ICRA]A1+; reaffirmed
Long Term/Short Term - Non-fund Based Working Capital Limits	120.00	120.00	[ICRA]AA (Stable)/ [ICRA]A1+; Reaffirmed
Long Term/ Short Term – Unallocated Limits	100.00	300.00	[ICRA]AA (Stable)/ [ICRA]A1+; Reaffirmed and assigned for enhanced amount
Long-term – Fund Based – Term Loan	-	400.00	[ICRA]AA (Stable); assigned for enhanced amount
Commercial Paper	400.00	400.00	[ICRA]A1+; reaffirmed
<b>Total</b>	<b>1,550.00</b>	<b>2,150.00</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings reaffirmation considers Natco Pharma Limited's (Natco) healthy financial profile, characterised by its robust debt metrics and strong liquidity position in addition to its strong portfolio of complex generics, further supported by its strong research and development (R&D) capabilities. Natco's notable market position in the domestic oncology formulations segment, extensive experience of its promoters along with the backward-integrated nature of its operations with strong capabilities in active pharmaceutical ingredients (APIs) also continue to support the ratings. The company witnessed healthy revenues and earnings in FY2025 and H1 FY2026, backed by substantial contribution of profit share from gRevlimid and healthy performance of its Canadian and Brazilian subsidiaries. While the company continues to witness competition-induced pricing pressure in the domestic and US markets, it is mitigating the same through new product launches to support its revenue growth. The company is also expanding its presence in the emerging markets by launching its legacy products. It has started new product fillings in Latin America and is looking to expand its presence in Saudi Arabia, Algeria, Morocco and Egypt. The company's operating profit margin (OPM) improved to 49.6% in FY2025 from 43.9% in FY2024, supported by the improving scale of operations in addition to healthy profit share from gRevlimid. In Q1 FY2026 and H1 FY2026, the margins contracted to 43% and 42.7%, respectively on account of pricing pressure in domestic and US markets in addition to relatively higher research and development (R&D) spend and provisions. Natco's revenues and margins are expected to moderate, going forward, as gRevlimid's patent is expiring in Q2 FY2026. The extent of impact of the same on the company's revenues and margins in FY2027 and FY2028 will be closely monitored.

The ratings consider the high product concentration for the company with a few molecules driving the US formulations business (particularly gRevlimid in FY2025 and H1 FY2026). Disruption in any key product may lead to large volatility in revenues and margins such as the one expected with the patent expiry of gRevlimid in H2 FY2026. The company's working capital intensity increased to 43.1% in H1 FY2026 from 38.4% in FY2025 on account of increasing debtor days. The company maintains higher-than-required inventory level to mitigate supply-chain challenges for products with long lead times. Inventory values are also elevated because the company carries some high-value products.

Additionally, increasing scrutiny by the US FDA, compliance costs and risks associated with the same on the company's operations, along with its exposure to potential adverse outcome on any product litigation, will be key rating sensitivities,

going forward. In the US market, the company has tie-ups with front-end players for a profit share contribution to launch its complex generic products or Para IV filing. The company acquired Dash Pharmaceuticals LLC (now renamed as Natco Pharma USA LLC) to create its own front-end presence in the US and expects to launch simple generics under its own label. Further, the company has incorporated its own subsidiaries in Brazil, Canada, Indonesia, Singapore, The Philippines, the UK and Columbia, to set up front-end presence in those markets. While the company will be able to achieve higher profitability through the same, it remains exposed to potential litigation risks. ICRA will continue to monitor the impact of any adverse outcome of such litigations on the credit profile of the company.

In July 2025, the company announced acquisition of a 35.75% stake in Adcock Ingram Holdings Limited (AIHL), South Africa which is a pharmaceutical company operating across four segments namely prescription, consumer, OTC and hospitals. On November 11, 2025, Adcock Ingram Holdings Limited was delisted from the Johannesburg Stock Exchange (JSE) and the transaction was completed. The company paid a consideration of Rs.2,000 crore to acquire the aforesaid stake and funded the same through a mix of internal accruals and term loan of Rs. 400 crore. Going forward, Natco's ability to create additional opportunities for growth in the South African market will remain a key monitorable.

The company continues to explore inorganic expansion opportunities out of India to strengthen its front-end presence in the US and other countries. Any significant debt-funded acquisition, impacting its credit metrics, remains an event risk and would be evaluated on a case-by-case basis.

The Stable outlook on the rating reflects ICRA's opinion that Natco will continue to benefit from its strong R&D capabilities and investments, leading to a healthy portfolio of complex generics and a strong financial profile. Any further capex or acquisitions undertaken will be funded in a manner that Natco's credit metrics continue to remain healthy.

## Key rating drivers and their description

### Credit strengths

**Financial profile characterised by robust debt metrics and strong liquidity position** – Natco's financial risk profile is characterised by healthy margins and robust debt protection metrics on the back of low debt availed by the company (TD/OPBITDA of 0.1 times as on March 31, 2025 and September 30, 2025). The company continued to maintain its negative net debt position with strong cash and cash equivalents of Rs. 3,200 crore (approximately), at a consolidated level, as on September 30, 2025. Despite Rs. 2,000 crore being paid out towards acquisition of a stake in AIHL in November 2025, the liquidity position and debt metrics of Natco continue to remain strong. The company, backed by strong accruals (despite moderation in its revenues and margins) and stable capital expenditure levels, is expected to maintain its strong debt metrics, going forward.

**Strong R&D capabilities lead to healthy portfolio of complex generics** – Natco continues to invest a high single-digit percentage of its revenues in R&D (9.1% of standalone topline in FY2025) every year, thereby supporting its strong capabilities to develop limited competition and difficult-to-develop molecules for the regulated markets. Natco's strong R&D capabilities are highlighted by complex molecules in the portfolio like Glatiramer, Lanthanum, Lapatinib, Oseltamivir, Lenalidomide, etc. The company has predominantly focused on complex products with high barriers to entry in the US. The launch of gRevlimid in the US in March 2022 with the increasing sales volume after launch every year has supported the growing revenue and margins for Natco in FY2024 and FY2025. At present, Natco's expected domestic launch of Semaglutide is likely to drive the local revenues, going forward. Natco has a pipeline of 30 Para IV filings as on September 30, 2025, with a few significant launches (few of which are subject to approval/litigation) in the medium term. Strong manufacturing capabilities, in addition to backward integration into API manufacturing, also continue to support the company's business prospects.

**Notable market position in domestic oncology segment** – Being an early entrant with regular product introductions and competitive pricing, Natco has managed to establish a strong presence in the domestic formulations market with a healthy market share in the domestic oncology segment. The company continues to be one of the leading players in the domestic

oncology segment. It has maintained its market position despite facing intense competition that results in pricing pressure. The company is also increasing its sales force coverage in the pharma, cardiology and diabetology division (C&D) and is focusing on new product launches to aid its growth in the domestic market. The company launched more than eight products belonging to multiple therapeutic areas including oncology, hepatology, gastroenterology, critical care, cardiology and diabetes in the past 24 months and has plans to add other new products over the next 2-3 years. The company is banking on the launch of Semaglutide in the domestic market to improve its non-oncology revenues over the next few fiscals, which is expected to be launched in Q1 FY2027. Going forward, Natco's ability to expand across therapies post expiry of gRevlimid's patent will remain a key monitorable.

### Credit challenges

**High product concentration** – The company derives the major portion of its US formulation revenues from gRevlimid, gCopaxone, gAfinitor, gZortress, gFosrenol, gTykerb, gTamiflu, and gDoxil. Disruption in any key product can lead to large volatility in revenues and margins such as the one expected with the patent expiry of gRevlimid in H2 FY2026. Previously in Q3 FY2025, the company's performance witnessed significant deterioration due to exhaustion of its annual allocation for gRevlimid. The launch of other key Para IV products will be key to the company's business prospects after FY2026. While the concentration in the domestic business has reduced over the years, the concentration towards oncology remains high. Going forward, it is expected to ease gradually with new launches in the oncology, diabetic and anti-infective segments.

**High working capital intensity** – Natco's working capital intensity remains high and increased to 43.1% in H1 FY2026 from 38.4% in FY2025, due to increase in both debtor and creditor days in addition to continued high inventory levels. As Natco expands its product portfolio, it needs to maintain a certain level of inventory to optimise its production schedule and minimise switchover costs at plants, which manufacture multiple APIs or formulations. The company carries relatively higher inventory to mitigate supply-chain challenges for few of the products with high lead time. The inventory values are also elevated because the company carries some high-value products. This resulted in high inventory days of around 193 as on September 30, 2025. However, with a growing product portfolio (which requires higher level of inventory to be maintained) and increasing focus on international markets like Brazil, Canada, Southeast Asia, Latin America and China (which generally have a higher receivables period than the domestic segment), Natco's working capital requirements will continue to remain high, going forward.

**Increasing competition in key markets** – Despite new launches, pricing pressure from intense competition continues to impact the company's revenues in both the domestic market (specially, oncology segment) and its export formulation revenues. Going forward, as the patent for gRevlimid expires, the pipeline for other Para IV products in general will continue to have a bearing on the company's revenues and margins.

**Exposure to regulatory risks and litigations** – Natco is exposed to increasing regulatory scrutiny, compliance costs and risks associated with the same, in line with other industry players. The company received a warning letter from the US FDA for its Kothur facility in FY2024, which was subsequently lifted in September 2025. Further, in view of the risks associated with product litigations, ICRA will continue to monitor the impact of any adverse outcome of such litigations on the credit profile of the company.

### Environmental and social risks

**Environmental considerations:** Natco does not face any major physical climate risk. However, it remains exposed to tightening environmental regulations regarding breach of waste and pollution norms, which can lead to an increase in operating costs and new capacity installation costs. This can also require continued capital investments to update/upgrade its effluent treatment infrastructure to reduce carbon footprint and waste generation.

**Social considerations:** The industry faces social risks related to product safety and Government intervention related to price caps/control in line with social risks faced by other entities in the pharmaceutical industry.

## Liquidity position: Strong

The company's liquidity position is strong, characterised by consolidated cash and cash equivalents of around Rs.3,200 crore as on September 30, 2025. Subsequently, ICRA understands that Natco has paid Rs. 1,600 crore towards the stake acquisition in AIHL from its existing cash and liquid investments and funded the balance Rs. 400 crore by availing a term loan. The company's working capital utilisation remained low at ~18% for a period of six months ending in September 2025 against its sanctioned limits (secured and unsecured). Further, the company is expected to generate positive fund flow from operations, supported by healthy cash accruals over the near term. The company has plans to incur capex of around Rs.800 crore in FY2026 and FY2027 put together. In addition to the same, the company has repayments of Rs. 200 crore each in FY2027 and FY2028. Given Natco's strong cash flow generation and healthy cash balances, ICRA expects Natco to meet its capital commitments through existing cash reserves and internal cash accruals.

## Rating sensitivities

**Positive factors** – A significant improvement in the company's product diversification, given its focus on a few critical molecules, and a scale-up in its revenues with continued robust debt protection metrics and liquidity would be positive triggers for an upgrade.

**Negative factors** – Pressure on Natco's ratings could arise, if there is a deterioration in the margins, or if debt-funded capex or acquisitions or regulatory measures weaken the company's credit profile with Total Debt/OPBDITA > 1.5 times, on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology Pharmaceuticals</a>
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financial statement of Natco

## About the company

Natco is a medium-sized pharmaceutical company, which develops, manufactures and markets formulations and APIs. Founded in 1981, Natco has emerged as an established pharmaceutical company with presence in formulations and APIs in both domestic and export markets. The company owns eight manufacturing facilities and two research centres namely Natco Research Centre in Hyderabad and Research Centre Kothur in Telangana. Its manufacturing facilities have been approved by multiple authorities of regulated markets. Its formulations units in Kothur (Telangana) and Visakhapatnam (Andhra Pradesh) and API facilities in Chennai and Mekaguda (Telangana) have been approved by the USFDA. The company had also set up an agrochemical facility for APIs/technical and formulations in Attivaram Industrial Area, Nellore (Andhra Pradesh) to diversify its portfolio. The company's API business drives in-house captive requirements for key molecules as well as direct customer sales.

As an early entrant with strong R&D capabilities, Natco has established itself as a leading player in the oncology segment in India. In addition, it generates a sizeable proportion of its formulations business from exports. It is present in the generics business in the regulated markets of North America and Europe and branded generics in the rest of the world (RoW). As on March 31, 2025, the company's 49.62% share was held by the promoter group, and the rest by various institutions and public.

## Key financial indicators (audited)

Natco (consolidated)	FY2024	FY2025	Q1 FY2026*
Operating income	4,003.1	4,429.5	1,328.9
PAT	1,388.3	1,883.4	480.3
OPBDIT/OI	43.9%	49.6%	43.0%
PAT/OI	34.7%	42.5%	36.1%
Total outside liabilities/Tangible net worth (times)	0.2	0.1	-
Total debt/OPBDIT (times)	0.2	0.1	-
Interest coverage (times)	91.6	91.9	-

Source: Company, ICRA Research; \*Results; All ratios as per ICRA's calculations; Amounts in Rs. Crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	Nov 28, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
<b>Fund-based working capital limits</b>	Long-term/Short-term	930.00	[ICRA]AA (Stable)/[ICRA]A1+	Aug 01, 2025	[ICRA]AA (Stable)/[ICRA]A1+	April 30, 2024	[ICRA]AA (Stable)/[ICRA]A1+	-	-	-	-
				Apr 29, 2025	[ICRA]AA (Stable)/[ICRA]A1+			-	-	-	-
<b>Non-fund based working capital limits</b>	Long term/Short term	120.00	[ICRA]AA (Stable)/[ICRA]A1+	Aug 01, 2025	[ICRA]AA (Stable)/[ICRA]A1+	April 30, 2024	[ICRA]AA (Stable)/[ICRA]A1+	-	-	-	-
				Apr 29, 2025	[ICRA]AA (Stable)/[ICRA]A1+	-	-	-	-	-	-
<b>Unallocated limits</b>	Long term/Short term	300.00	[ICRA]AA (Stable)/[ICRA]A1+	Aug 01, 2025	[ICRA]AA (Stable)/[ICRA]A1+	April 30, 2024	[ICRA]AA (Stable)/[ICRA]A1+	Apr 28, 2023	[ICRA]AA (Stable)/[ICRA]A1+	Apr 28, 2022	[ICRA]AA (Stable)/[ICRA]A1+
				Apr 29, 2025	[ICRA]AA (Stable)/[ICRA]A1+						
<b>Commercial paper</b>	Short term	400.00	[ICRA]A1+	Aug 01, 2025	[ICRA]A1+	April 30, 2024	[ICRA]A1+	Apr 28, 2023	[ICRA]A1+	Apr 28, 2022	[ICRA]A1+
				Apr 29, 2025	[ICRA]A1+						
<b>Term Loan</b>	Long-term	400.00	[ICRA]AA (Stable)								
<b>Fund based working capital limits</b>	Long term	-		-	-	-	-	Apr 28, 2023	[ICRA]AA (Stable)	Apr 28, 2022	[ICRA]AA (Stable)
<b>Non-fund based working capital limits</b>	Short term	-		-	-	-	-	Apr 28, 2023	[ICRA]A1+	Apr 28, 2022	[ICRA]A1+
<b>Fund based/non-fund based limits</b>	Long term/Short term	-		-	-	-	-	Apr 28, 2023	[ICRA]AA (Stable)/[ICRA]A1+	Apr 28, 2022	[ICRA]AA (Stable)/[ICRA]A1+

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term/Short Term - Fund Based Working Capital Limits	Simple
Long Term/Short Term - Non-Fund Based Working Capital Limits	Very Simple
Long Term/Short Term – Unallocated Limits	Not Applicable
Long-term – Fund Based – Term Loan	Simple
Commercial Paper	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)



## Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long Term/Short Term - Fund Based Working Capital Limits	NA	NA	NA	930.00	[ICRA]AA (Stable)/[ICRA]A1+
NA	Long Term/Short Term - Non-Fund Based Working Capital Limits	NA	NA	NA	120.00	[ICRA]AA (Stable)/[ICRA]A1+
NA	Long Term/Short Term – Unallocated Limits	NA	NA	NA	300.00	[ICRA]AA (Stable)/[ICRA]A1+
NA	Long-term – Fund Based – Term Loan	NA	NA	NA	400.00	[ICRA]AA (Stable)
Not Placed	Commercial Paper	NA	NA	NA	400.00	[ICRA]A1+

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

## Annexure II: List of entities considered for consolidated analysis (As on September 30,2025)

NPL (Consolidated)	Natco Ownership	Consolidation Approach
NATCO Pharma Limited	100.00%	Full Consolidation
NATCO Pharma Inc., United States of America ('USA')	100.00%	Full Consolidation
NATCO Pharma USA LLC, USA (Formerly known as Dash Pharmaceuticals LLC, USA - name changed w.e.f. 12 April 2023) (Subsidiary of NATCO Pharma Inc.)	100.00%	Full Consolidation
Time Cap Overseas Limited, Mauritius ('TCOL')	100.00%	Full Consolidation
NatcoFarma do Brasil Ltda., Brazil (Subsidiary of TCOL)	100.00%	Full Consolidation
NATCO Pharma (Canada) Inc., Canada	100.00%	Full Consolidation
NATCO Pharma Asia Pie. Ltd., Singapore	100.00%	Full Consolidation
NATCO Pharma Australia Pty Ltd., Australia	100.00%	Full Consolidation
NATCO Lifesciences Philippines Inc., Philippines	100.00%	Full Consolidation
NATCO Pharma UK Limited, United Kingdom (incorporated on 04 September 2023)	100.00%	Full Consolidation
PT. NATCO Lotus Farma, Indonesia (incorporated on 28 August 2023)	51.00%	Full Consolidation
NATCO Pharma Colombia S.A.S. (incorporated on 15 August 2023)	100.00%	Full Consolidation

Source: Company Annual Report FY2025

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## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit [www.icra.in](http://www.icra.in)

## ICRA Limited



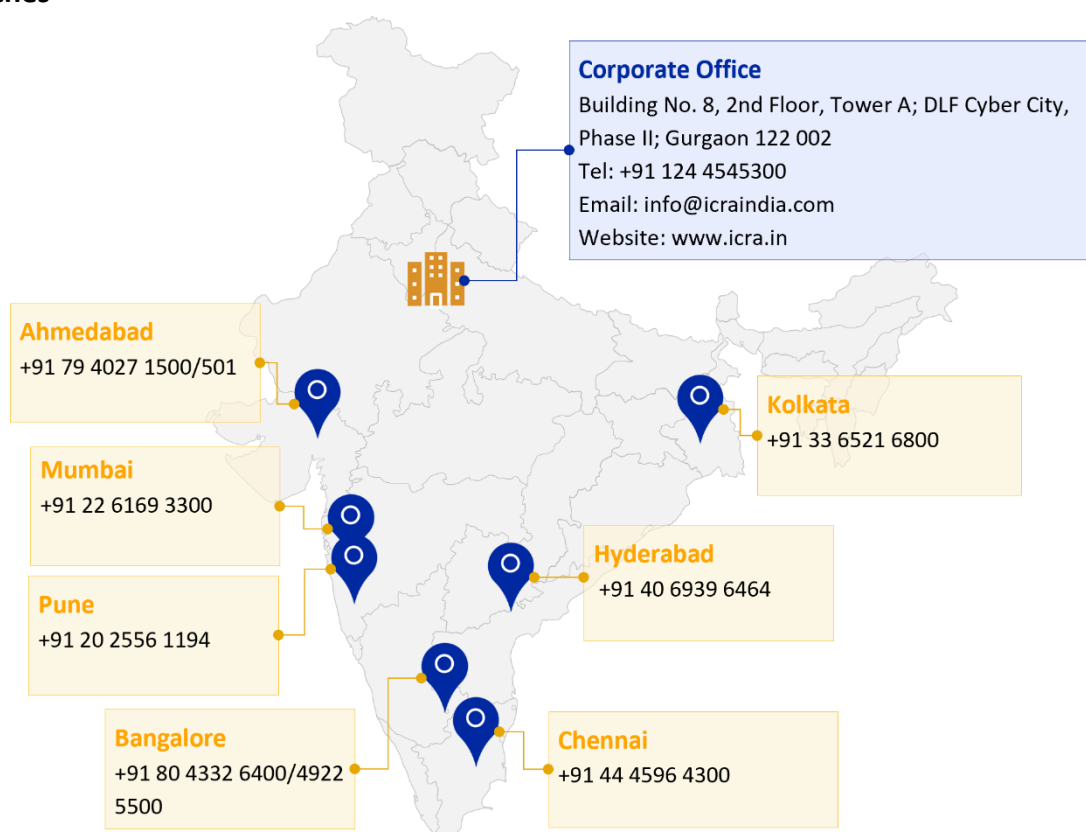
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### Branches



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