

Corona Remedies Ltd. - IPO Investment Note

Issue Open	Issue Close	Price Band (₹)	Rating
8 December 2025	10 December 2025	₹1008 to ₹1062	SUBSCRIBE

Investment Summary

Corona Remedies presents a favorable investment opportunity within India's branded pharmaceutical sector, driven by demonstrated high-growth metrics in specialized therapeutic areas. The firm strategically focuses on chronic and sub-chronic treatments, which constitute the majority (70.10%) of its domestic sales, establishing a model built on long-term revenue visibility. Critically, the company is recognized as the second fastest-growing entity among the top 30 pharmaceutical companies in India by domestic sales between June 2022 and 2025. This robust performance translated into a CAGR of 16.77%, significantly outpacing the overall Indian market growth rate of 9.21% during that period. This strong momentum in core segments like women's healthcare, cardiovascular care, and urology positions the company ideally to leverage the anticipated 8-9% CAGR expansion of the Indian domestic formulations market by FY30. The underlying investment thesis is supported by a stable and expanding portfolio of 71 brands and a proven capability to gain market share through targeted specialization.

Company Overview

Incorporated in August 2004, promoted by Dr. Kirtikumar Laxmidas Mehta, Nirav Kumar Kirtikumar Mehta, and Ankur Kirtikumar Mehta, with its registered and corporate office located in Ahmedabad, Gujarat. Corona Remedies Limited is an India-focused pharmaceutical company engaged in the development, manufacturing, and marketing of branded formulations across key therapeutic segments including women's healthcare, cardiology, pain management, urology and multispecialty areas such as vitamins/minerals/nutrition, gastrointestinal and respiratory care. As of June 30, 2025, the company's portfolio comprised 71 brands spanning these therapies, supported by a pan-India marketing and distribution network of 2,671 medical representatives covering 22 states, enabling strong engagement with healthcare professionals and hospitals and driving deep penetration in its focus segments within the Indian Pharmaceutical Market (IPM). Manufacturing operations are housed in two facilities in Gujarat with aggregate installed formulations capacity of 1,285.44 million units per annum, providing integrated supply capabilities. On a MAT Jun'25 basis, Corona Remedies was the 29th-largest pharmaceutical company in India by domestic sales in the IPM and the 17th-largest in its covered markets.

Business Model

The business model of Corona Remedies is fundamentally centred on the development, manufacturing, and commercialization of branded pharmaceutical formulations, primarily targeting the chronic and sub-chronic therapeutic segments within India. This approach prioritizes market segments that offer stable and predictable revenue streams due to the long-term nature of patient prescriptions. The company achieves this by cultivating a diversified portfolio of 71 brands across specialized areas like women's healthcare, cardiovascular-diabetic treatment, pain management, and urology.

A core component of their strategy involves an in-house sales and marketing network focused on "middle of the pyramid" demographics and specialist prescribers. By maintaining a large field force of 2,671 medical representatives, the company ensures high market penetration in urban and semi-urban areas, primarily engaging with specialists and super-specialists who contribute 75.75% of their prescriptions. This targeted approach has resulted in significant growth, outperforming the overall Indian pharmaceutical market in terms of domestic sales growth across various regions.

The operational backbone of this model relies on a combination of owned manufacturing facilities, research capabilities, and strategic inorganic growth. They operate two manufacturing facilities in Gujarat and Himachal Pradesh, maintaining high quality standards through certifications such as EU GMP and WHO GMP. Furthermore, the company actively expands its market presence and product pipeline through targeted brand acquisitions, such as the Myril brand, and establishing in-licensing arrangements for specialty products, such as those related to hormone APIs, to accelerate portfolio expansion.

Industry Outlook

The Indian pharmaceutical sector is set for substantial expansion, projecting a CAGR of 8-9% to reach ₹3.3-3.5 trillion by FY 2030. This robust growth trajectory is fundamentally supported by a heightened prevalence of chronic illnesses, such as cardiovascular disease and diabetes, demanding ongoing treatment. Increasing health awareness and access to quality medical services, combined with rising disposable incomes, drive higher domestic medicine consumption. The chronic therapy segment, providing long-term revenue visibility, is anticipated to expand faster (8.5-9.5% CAGR) compared to the acute segment (7.5-8.5%). Globally, the pharmaceutical market outlook also remains strong, expected to reach up to \$2,200 billion by 2029 due to improving access in emerging economies. Furthermore, supportive government initiatives, including production-linked incentive schemes and strict adherence to quality manufacturing practices, are enhancing the overall maturity and capability of the domestic industry.

Investment Rationale

High Growth Trajectory

Corona Remedies is the second fastest-growing company among the top 30 in the Indian Pharmaceutical Market (IPM) in terms of domestic sales between MAT June 2022 and MAT June 2025. During this period, its domestic sales achieved a CAGR of 16.77%, significantly outpacing the overall IPM growth of 9.21%. This impressive growth is attributed to higher sales volume increases and effective new product introductions compared to the market. Given its focus on key high-growth therapeutic areas like gynecology, cardiovascular, and urology, the company is well-positioned to leverage the projected 8-9% CAGR expansion of the Indian domestic formulations market by FY 2030.

Diversified Portfolio and Core Brands

The company maintains a strong, diversified portfolio featuring 71 brands, primarily focused on women's healthcare, cardio-diabetes, pain management, and urology. These core areas collectively contributed 68.26% of domestic sales in MAT June 2025, demonstrating stability and a high CAGR of 22.40% over three years. The portfolio includes 27 core "engine" brands, such as Myoril, Cor, Trazer, and B-29, which collectively drove 72.34% of domestic sales in June 2025. Additionally, the company maintains a strategic advantage by keeping low exposure to price control mechanisms, with only 9.76% of its MAT June 2025 sales falling under the National List of Essential Medicines (NLEM), allowing for greater profitability management compared to the overall IPM's 17.51% NLEM exposure.

Targeted Sales Network

Corona utilizes a specialized commercial strategy focusing on "middle of the pyramid" demographics and specialist prescribers. Specialists and super-specialists accounted for 75.75% of its prescriptions during MAT June 2025, substantially higher than the overall IPM average of 60.96%. Supported by a field force of 2,671 medical representatives, this deliberate approach has resulted in the company outperforming the overall IPM sales growth across all major geographic regions of India between MAT June 2022 and MAT June 2025.

Integrated Manufacturing and R&D

The company operates two sophisticated manufacturing facilities in Gujarat and Himachal Pradesh, upholding high standards as evidenced by EU GMP and WHO GMP certifications. Internal R&D is supported by 103 specialized employees focusing on innovative formulations and improved process efficiencies. This investment yields high-impact results: 14.43% of new product units launched since June 2022 achieved sales greater than ₹50 million in MAT June 2025, showcasing higher success rates than the overall IPM (5.60%).

Strategic Acquisitions and Licensing

Corona proactively supplements its organic expansion by engaging in strategic brand acquisitions and securing in-licensing arrangements to quickly address portfolio gaps and reinforce market standing. Notable acquisitions include the Myoril brand, which significantly strengthened its pain management portfolio, and the Obimet and Thyrocab ranges. Furthermore, the company has established strategic in-licensing arrangements with global manufacturers, such as Ferring Pharmaceuticals, granting it semi-exclusive or exclusive rights to market specialized products in high-growth therapeutic areas like women's health and urology in India.



Key Risks

Concentration in Core Therapeutic Segments

The company's revenue profile exhibits a high concentration within specific treatment categories, with women's healthcare, cardiovascular-diabetic treatment and pain management contributing an aggregate of 65.14% of total revenue from operations for the three months ended June 30, 2025. If products in these key areas underperform or face stronger competition from newer treatments than the company's business performance, financial position and cash flows could be adversely affected. The emergence of superior alternative therapies or significant shifts in physician prescribing practices could also render existing products obsolete or result in mandated price reductions.

High Dependence on Select Core Brands

A substantial portion of the company's domestic sales relies heavily on a limited collection of high-performing products identified as "engine" brands. The portfolio's 27 core engine brands accounted for 72.34% of the total domestic sales during the MAT June 2025 period. This reliance creates significant exposure, as any adverse developments affecting the sales volume, market demand, or competitive standing of these foundational brands, particularly key products like B-29 and Myoril, could directly result in a negative impact on business operations, growth potential, and financial results.

Reliance on Third-Party Supply Chain

The business model depends significantly on third-party suppliers for the procurement of raw materials and finished goods and generally operates without securing long-term contracts with these suppliers. The total purchases aggregated to 19.87% of overall expenses for the three months ended June 30, 2025. Further complexity arises from the reliance on La Chandra Pharmed Private Limited, an Associate and Group Company, for the supply of certain crucial active pharmaceutical ingredients essential for the women's healthcare segment. Disruptions in the supply chain, potential price volatility of raw materials, or a failure to control the operations of these external parties could impede the company's ability to ensure an uninterrupted supply, leading to production limitations and negatively affecting cash flows.

Risks Related to Intellectual Property and Trademarks

Protecting intellectual property, especially product trademarks, is critical for maintaining market recognition and competitive standing as a branded formulations company. Although the company currently holds 194 registered trademarks, the inherent risks are demonstrated by the 29 pending trademark applications and 67 existing trademarks which have been opposed, objected to, refused, or abandoned. The inability to successfully secure trademarks for new or existing core brands, or the failure to adequately defend against or enforce existing rights against third parties, could lead to costly legal actions, diminished brand value, loss of exclusive marketing rights, and an adverse impact on profitability.

Outstanding Legal and Regulatory Proceedings

The company faces exposure arising from various outstanding legal proceedings involving the Company, its directors, and Promoters, including criminal and statutory actions. Specifically, this includes 4 criminal proceedings and 6 statutory or regulatory actions pending against the Company, alongside multiple direct tax proceedings and additional statutory actions involving the Directors and Promoters. Although some quantifiable monetary claims are small, adverse rulings in these matters could result in severe penalties, criminal sanctions, reputational damage, the suspension or revocation of essential business licenses, and a diversion of management resources towards litigation defense.

Financial Snapshot

Metric	In (Cr)		
	FY23	FY24	FY25
Revenue (₹ Cr)	884	1014	1196
EBITDA (₹ Cr)	135	161	246
Net Profit (₹ Cr)	85	91	149
EBITDA Margin (%)	15.27	15.88	20.57
PAT Margin (%)	9.73	8.88	12.46
EPS (₹)	13.91	14.89	24.39

IPO Details and Use of Proceeds

Parameter	Details
Issuer	Corona Remedies Ltd.
IPO Structure	Offer for Sale
Issue Size	Total Issue Size - 61,71,101 shares (aggregating up to ₹655.37 Cr) Offer for Sale - 61,71,101 shares of ₹1 (aggregating up to ₹655.37 Cr)
Price Band	₹1008 to ₹1062 per share
Face Value	₹10 per share
Post-Issue Market Cap	₹6,330 Cr. (Upper Band)
IPO Opening Date	December 8, 2025
IPO Closing Date	December 10, 2025
Listing	BSE & NSE
Promoter Holding (Pre/Post)	72.05%/69%
Book Running Lead Manager(s)	JM Financial Ltd.
Use of Proceeds	General Corporate Purposes

Valuation and Recommendation

Corona Remedies is a domestic-focused branded formulations player with a diversified portfolio of 70+ products, including several category leaders. At the post issue market cap of 6330 Cr, the issue is valued at **42.5x FY25E P/E** on a post-issue basis. The company has delivered a healthy performance over FY23–FY25, recording a Revenue/EBITDA/PAT CAGR of 16.3%/36.9%/32.6% reflecting strong operating leverage and consistent execution. Management's strategy to scale its field force, improve penetration in underrepresented regions, and commission a large hormone manufacturing facility by FY27 provides visibility for the next phase of growth. Given the company's solid return profile and conservative balance sheet we believe the valuation is in line with its peers thus we recommend a **SUBSCRIBE** rating.

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