

Bioplus Life Sciences Private Limited

March 20, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Short-term bank facilities	20.60	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the rating assigned to bank facilities of Bioplus Life Sciences Private Limited (BLSPL) continues to derive strength from its long track record of operations, diversified product portfolio, improving profitability margins, comfortable capital structure, satisfactory debt coverage indicators and accredited manufacturing units supported with well-equipped research and development. CARE Ratings Limited (CARE Ratings) notes that the company's contract manufacturing business picked up significantly in 8MFY25 with the company receiving regular contract manufacturing orders from UNICEF from March 2024. This has led to improved revenues in 8MFY25 and improvement is witnessed in profitability margins as well led by economies of scale with limited fixed costs. The rating also factors in ongoing capex, which was initiated in FY25 and is expected to be completed in the next two years. Capex will be majorly funded through debt with sanction of term loan expected by the start of FY26. The rating continues to remain constrained by the company's modest scale of operations, modest net worth base, post adjusting for subsidiary investments, and exposure to foreign exchange fluctuation risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improving scale of operations to beyond ₹200 crore, while maintaining overall gearing (after netting of exposure to subsidiaries from net worth) less than 0.25x on a sustained basis.

Negative factors

- Deteriorating solvency position with overall gearing ratio (after netting of exposure to subsidiaries from net worth) increasing beyond 0.75x due to increased working capital reliance.
- Total operating income (TOI) falling below ₹75 crore and profit before interest, lease rentals, depreciation, and tax (PBILDT) margin falling below 8% on a sustained basis.
- Substantial investment in subsidiary adversely impacting liquidity profile.

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of key rating drivers:

Key strengths

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Long track record of operations

The company has track record of over 20 years in the industry. Its board members are highly qualified. Promoters have over three decades of experience in the pharma industry. The company's management is backed by a team of qualified professionals with well-defined roles and responsibilities.

Diversified product portfolio albeit significant contribution from UNICEF contract manufacturing products in FY25

The company has 100+ products in its portfolio. BPLS is an export-oriented unit (EOU) based company involved in nutraceutical and pharmaceutical formulation production. The company is into contract manufacturing and has sales from its own brand – Nature's only. The company is engaged in manufacturing and marketing drugs in the acute therapeutic segment. The company products/medicines are manufactured under different categories such as, tablets, capsules, and powder among others.

Till FY24, majority revenue was driven through brand sales. However, the company's contract manufacturing business picked up significantly in FY25 with the company receiving regular contract manufacturing orders from UNICEF from March 2024. Thus, revenues in 8MFY25 have been driven majorly by UNICEF contract manufacturing orders.

Accredited manufacturing units supported with well-equipped research and development.

The company has two manufacturing units in Bengaluru, Karnataka. The plant has accreditations from MHRA (UK), TGA (Australia), GMP (EU), UNICEF, NSF and SSCI (USA), WHO GMP, SEDEX (Social audit), C-TPAT (Supply chain), BRC and Health Canada. Regulatory audits from export customers and QPs are conducted on a regular basis. All audits have been reported to be satisfactory. The Bangalore Whitefield facilities are the UK (MHRA) CGMP (Good Manufacturing Practice) Certified with in-house laboratories.

Improving profitability margins

PBILDT margins improved from 8.49% in FY23 to 12.29% in FY24. PBILDT margin further improved to 20% in 8MFY25, primarily lead by higher share of contract manufacturing business leading to economies of scale with limited fixed costs. Going forward, on the basis of present orderbook from UNICEF and other non-profit organisation, PBILDT margins expected to largely remain stable at current levels.

Comfortable capital structure and debt coverage indicators

The capital structure stood comfortable with overall gearing of 0.03x as on March 31, 2024 (PY:0.10x). Adjusted overall gearing (netting off investments in subsidiaries from net worth) also stood comfortable at 0.07x as on March 31, 2024, against 0.21x as on March 31, 2023. There is an ongoing capex within the company and term debt, for the same is expected to be sanctioned at the start of FY26. However, despite the debt funded capex, the capital structure is expected to remain at comfortable levels going forward. Debt coverage indicators also remained comfortable marked by total debt/PBILDT and total debt to gross cash accruals (TD/GCA) which stood at 0.24x and 0.28x for FY24 against 1.07x and 3.06x for FY23 respectively.

Key weaknesses

Modest scale of operations

The scale of operations has remained modest in the range of ₹80-₹100 crore in FY20-FY24. The company's capacity utilisation was at a lower level of ~30% as many products were under the process of registration. It takes 2-3 years for approvals and registration of product. On the back of large orders from UNICEF, capacity utilisation increased substantially and led to improvement in revenues in FY25. The company has achieved revenues of ₹89 crore in 8MFY25. Going forward on the back of consistent orders from UNICEF and other non-profit organisation across the US, the scale is expected to show consistent improvement.

Modest net worth base post adjusting for subsidiary investments

The company has reported a total net worth of ₹87.87 crore as on March 31, 2024. However, the company has investment and advances to its subsidiary companies worth ₹43.46 crore. Adjusted for this investment, the company's adjusted net worth stood modest at ₹44.41 crore. One of the subsidiaries had been incurring losses in

the past but the management of BPLS has articulated that the subsidiary will break-even in the current financial year and no further support from BPLS would be required. The management does not foresee more exposure towards its subsidiaries going forward.

Ongoing capex

The company has an ongoing capex of ₹72 crore, which was initiated in FY25 and is expected to be completed in the course of the next two years. Major portion of the capex is expected to be completed by FY26 with balance to be completed by FY27. The capex involves purchase of new machinery and replacement of old machinery, which is expected to enhance efficiency by enhancing production (by 2.5x-3x) in the same period. The capex is expected to be funded by ₹61 crore of term loan and the balance through internal accruals. The term loan sanction is expected by the start of FY26. In FY25, the company has already incurred ₹11 crore through internal accruals for the capex. Timely completion of the capex as envisaged and the company's ability to demonstrate improvement in its operational performance on the back of the capex will be a key monitorable.

Foreign exchange fluctuation risk

Being an export oriented unit, the company is exposed to foreign exchange fluctuation risk in view of transactions with numerous foreign countries including the Middle East, Cambodia, Australia, the United Kingdom, and Denmark among others. In FY24, the company's exports accounted for ~98% of the revenue and although the company uses packing credit facilities to manage forex risk, it has not hedged any of its exposure in FY24 through forward contracts, and thus, the company continues to be exposed to foreign currency fluctuation risk.

Liquidity: Adequate

The company's liquidity position is adequate marked by nil term debt obligations in FY25 and FY26 and cash accruals are expected to be sufficient to cover the repayment obligations in FY27. The average maximum working capital utilisation stood at 20% for 12 months ended November 2024, which provides further liquidity cushion. As on 31st March, 2024 the company reported cash and liquid investments of ₹7.45 crore. Cashflow from operations (CFO) have consistently stood positive and stood at ₹6.63 crore in FY24 (FY23: ₹11.27 crore). Nevertheless, large investment in subsidiary impacting liquidity profile of BPLS would be a key monitorable.

Applicable criteria

[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 & biotechnology	Pharmaceuticals

Incorporated in 2004, BPLS is a 100% EOU involved in contract manufacturing healthcare products, and manufacturing and marketing healthcare products under its own label. The company sells branded products across geographies, including the United Kingdom, Europe, Asia, Africa, the Middle East and CIS countries. It is engaged in contract manufacturing healthcare products and marketing products under its label of products (Natures only) such

as licensed drugs for treating osteoarthritis, and vitamins, minerals and health supplements for bones, eyes and feminine health. With its headquarters in Bengaluru, Karnataka, the company has two manufacturing sites, among which, the Whitefield, Bangalore facility is UK (MHRA) CGMP Certified with in-house laboratories.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	8MFY25(UA)
Total operating income	89.50	102.13	88.61
PBILDT	7.60	12.55	17.80
PAT	0.96	8.21	14.92
Overall gearing (times)	0.10	0.03	0.03
Interest coverage (times)	19.51	22.50	118.66

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	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 - ST-EPC/PSC		-	-	-	20.00	CARE A3
Non-fund-based - ST-Bank Guarantee		-	-	-	0.50	CARE A3
Non-fund-based - ST-Letter of credit		-	-	-	0.10	CARE A3

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - ST-EPC/PSC	ST	20.00	CARE A3	1)CARE A3 (07-May-24)	-	-	-
2	Non-fund-based - ST-Letter of credit	ST	0.10	CARE A3	1)CARE A3 (07-May-24)	-	-	-
3	Non-fund-based - ST-Bank Guarantee	ST	0.50	CARE A3	1)CARE A3 (07-May-24)	-	-	-

ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - ST-EPC/PSC	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE 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

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About us:

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