

Accurex Biomedical Private Limited

July 03, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	5.00	CARE B+; Stable	Reaffirmed
Short Term Bank Facilities	4.50	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to the bank facilities of Accurex Biomedical Private Limited (ABPL) continue to be constrained by its small scale of operations, moderate profitability margins albeit improvement in the same during FY25, working capital intensive nature of operations, stretched liquidity position and exposure to foreign exchange fluctuation. The rating is further constrained by its presence in the highly competitive and fragmented medical equipment industry.

However, the ratings continue to derive strength from the established track record of operations with recognized brand name and experienced promoters, comfortable capital structure and moderate debt coverage indicators.

Rating Sensitivities: Factors likely to lead to rating actions

Positive Factors

- Increase in scale of operations with total operating income (TOI) exceeding Rs.80 crore translating into significant improvement in cash accruals on sustained basis
- Improvement in operating margin exceeding 5% on a sustained basis

Negative Factors

- Significant decrease in the scale of operations on a sustained basis
- Deterioration in the interest coverage below 1.25x on a sustained basis
- Significant increase in operating cycle above 100 days

Analytical approach: Standalone

Outlook: Stable

The continuation of "Stable" outlook reflects CARE Ratings belief that ABPL will sustain its scale of operations, profitability margins and credit profile over the near-to-medium term on the back of established track record and experienced promoters.

Detailed description of the key rating drivers:

Key weaknesses

Small scale of operations

ABPL's scale of operations continued to remain at a small level marked by a TOI of ₹48.29 crore in FY25 (vis-à-vis ₹51.65 crore in FY24), the same has slightly reduced due to commencement of the manufacturing activities led to higher emphasis on the same along with stable demand from the healthcare industry. Further, the tangible net worth of the company stood low at ₹9.24 crore as on March 31, 2025 (vis-a-vis ₹8.13 crore as on March 31, 2024) which limits its financial flexibility to meet any exigency. Further during 2MFY26 (2M refers to April 1 to May 31) the company has posted revenue of Rs.6 crore (PY: Rs. 13 crore). Going forward the company expects to maintain its revenue at similar levels in the near to medium term.

Moderate and fluctuating profit margins

The profit margins of the company remained moderate and highly fluctuating during FY21-FY25. PBILDT margin improved from 0.47% in FY24 to 4.17% in FY25. The significant improvement in the same on account of higher realization received on manufactured products and change in the business strategy with reduced its reliance on their super-stockiest and instead increase its penetration towards distributors along with higher emphasis on profitability margins. ABPL reported net profit after tax of ₹1.12 crore in FY25 compared to net loss of ₹0.18 crore in FY24. Nevertheless, the ability of the company to sustain its profitability margins remains key monitorable.

Working capital intensive operations

The operations of the company continue to remain working capital intensive marked by high gross current asset period of 131 days in FY25 (PY: 104 days) due to funds largely being utilised towards inventory and receivables. The inventory period increased

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

to 65 days in FY25 (PY: 53 days) as company procured the higher traded goods to avail price discounts and to meet increasing demand for traded medical equipment which requires long lead time for procurement including raw materials for imports. The collection period stood at 50 days (PY: 46 days). The said elongation led to increase in the operating cycle to 58 days in FY25 (vis-à-vis 47 days in FY24) with an increase in creditors period from 51 days in FY24 to 57 days in FY25. The average utilization of the working capital limit stood at high at ~72% for the past 12 months ended April 2025.

Exposure to foreign exchange fluctuation

The company is entirely importing its medical instruments traded from China, Germany, Indonesia and Italy and partially importing its chemical requirement from Japan, UK, USA and Spain. On the other hand, it exports 7% to Europe, Nigeria, Africa etc. Thus, it exposed to high foreign exchange fluctuation risk. This overall structure partially provides a natural hedge to some extent. Further, the management does not have any formal hedging policy to hedge its total foreign currency exposure. Accordingly, the profit margins of ABPL remain susceptible to the adverse or favorable movement in the forex rate, which had been very volatile in the past. The company had a foreign exchange gain of ₹1.44 crore during FY25 (vis-à-vis exchange gain of ₹0.14 crore during FY24).

Presence in highly competitive and fragmented industry

Medical equipment market in India is highly regulated and competitive wherein there is presence of a large number of players in the unorganized and organized sectors. There is a high degree of fragmentation and competition in the industry which is likely to impact profitability of small players like ABPL.

Key Strengths

Established track record of operations with recognized brand name and experienced promoters

Over the three decades of existence in the market, ABPL has established its brand "Accurex" in the industry. Further, the promoters at ABPL have over a decade of experience in the industry. Their deep knowledge of the diagnostic sector and practical experience in operations and strategy have been crucial for the company's growth. The management built strong relationships with suppliers, customers, and regulatory bodies, which help in smooth business operations and making strategic decisions.

Comfortable capital structure and moderate debt coverage indicators

The company's capital structure stood comfortable, as marked by an overall gearing (after considering LC acceptance and guarantee given against housing loan availed by directors) of 0.69 as on March 31, 2025 (0.68x as on March 31, 2024) due to moderate reliance on external debt. Its debt profile largely comprises working capital borrowings with higher reliance on non-fund-based limits for import materials. The total outside liabilities to net worth stood moderate at 1.67x as on March 31, 2025 (1.82x as on March 31, 2024). The improvement in capital structure was on account of profit accretion to reserves. Further, due to improvement in the profitability during FY25, the debt coverage indicators improved and remained moderate with interest coverage stood at 3.23x in FY25 as against 0.34x in FY24 and total debt / GCA also improved to 4.15x in FY25.

Liquidity: Stretched

The liquidity position remained stretched on account of higher utilization of its fund based working capital limits with average of maximum utilisation stood at 72% in past 12 months ended as on April 2025. The company has not availed any long-term debt as on March 31, 2025. Further, the company owns a free cash & bank balance worth ₹1.08 crore as on March 31, 2025. The current ratio and quick ratio remained weak at 1.26x and 0.64x respectively as on March 31, 2025 (vis-à-vis 0.98x and 0.53x respectively as on March 31, 2024). The net cash flow from operating activities stood positive of ₹0.15 crore in FY25 (vis-à-vis negative ₹0.21 crore in FY24).

Applicable criteria:

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the Company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
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Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals
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Established in 1984 as a partnership entity and later reconstituted as private limited in October 1994, ABPL is engaged into manufacturing of vitro diagnostic kits and trading of imported medical instruments. Furthermore, the company also undertakes servicing of medical instruments sold with service contract of one year. ABPL is ISO 9001:2000, ISO 13485:2003 certified and holds a Good Manufacturing Practice certificate from FDA, Maharashtra. The company sells vitro diagnostic kits and medical instruments under its own brand "Accurex". The manufacturing facility to manufacture various vitro diagnostic kits and Gluco strips is located at Thane and Vishakhapatnam

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	2MFY26 (UA)
Total operating income	51.65	48.29	6.00
PBILDT	0.24	2.02	NA
PAT	-0.18	1.12	NA
Overall gearing (times)	0.68	0.69	NA
Interest coverage (times)	0.34	3.23	NA

A: Audited UA: Unaudited; NA- Not available Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Nil

Any Other information: Not Applicable

Rating History for last three years: Please refer 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 - LT-Cash Credit		-	-	-	5.00	CARE B+; Stable
Non-fund-based - ST-Letter of credit		-	-	-	4.50	CARE A4

Annexure-2: Rating History of 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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	5.00	CARE B+; Stable	-	1)CARE B+; Stable (05-Jul-24)	1)CARE B+; Stable (05-Jul-23)	1)CARE BB-; Stable (06-Jul-22)
2	Non-fund-based - ST-Letter of credit	ST	4.50	CARE A4	-	1)CARE A4 (05-Jul-24)	1)CARE A4 (05-Jul-23)	1)CARE A4 (06-Jul-22)
3	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (06-Jul-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Letter of credit	Simple

Annexure 5: Lender details

To view the lender-wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: 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.

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About us:

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