Serum Institute of India Private Limited

December 31, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term / Short-term bank facilities	3,100.00 (Enhanced from 2,800.00)	CARE AAA; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	350.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Serum Institute of India Private Limited (SIIPL) continues to reflect its leadership position in the vaccine manufacturing segment, highly experienced and resourceful promoters and professionally qualified management with a proven track record of over five decades. Ratings also consider its wide geographic presence and healthy financial risk profile marked by robust revenues, high operating margins, comfortable gearing levels and healthy liquidity position. The company's overall gearing even after loading entire sanctioned limits, outstanding term loans existing in its subsidiaries and exposure in other group entities, still remains comfortable and below 0.10x as on March 31, 2025. It has long-standing affiliations with the international agencies such as the United Nations Children's Fund (UNICEF), and Pan American Health Organisation (PAHO) and its manufacturing facilities conform with the current Good Manufacturing Practices (cGMP) approved by World Health Organization (WHO). Strengths far outweigh regulatory risks associated with the global pharmaceutical industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

Not applicable

Negative factors

- Significant and sustained decline in revenue or profitability.
- Deterioration in the capital structure beyond 0.50x either due to un-envisaged debt programme or rise in corporate guarantees extended to group companies.
- Adverse regulatory outcome.

Analytical approach: Standalone

CARE Ratings Limited (CareEdge Ratings) has taken a standalone approach and also factored in support extended by SIIPL to group entities.

Outlook: Stable

The stable outlook reflects the rated entity is likely to maintain its established leadership position in the vaccine industry and would continue to generate healthy cash accruals and strong liquidity position in the medium term.

Detailed description of key rating drivers:

Key strengths

Highly experienced and resourceful promoters and professionally qualified management

SIIPL is the flagship company of the Poonawalla group, which is promoted by Dr Cyrus S Poonawalla (Padma Bhushan awardee by Government of India in March 2022), who and his family wholly owns SIIPL through their holding company; Poonawalla Investments and Industries Private Limited and their other step-down subsidiaries and individual holdings. The group's promoters are resourceful and have presence in wide array of businesses ranging from stud farm, non-banking finance, aviation, and pharmaceuticals. With a track record of over five decades, SIIPL holds the distinction of being the world's largest vaccine manufacturer by number of doses produced and sold globally, including Polio, Covishield, Diphtheria, Tetanus, Pertussis, HIB, BCG, r-Hepatitis B, Measles, Mumps and Rubella vaccines. Mr. Adar Poonawalla, CEO of SIIPL, leads well-defined organisation structure and is supported by qualified and experienced second-tier management. This brings in high degree of professional management and operational expertise. Therefore, knowledge and expertise of the technical team and promoters, and the company's reputation and long track record in manufacturing vaccine have been key drivers in SIIPL's growth.

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

Long-standing affiliations with international agencies and quality certifications for its manufacturing facilities

SIIPL has long-term tie-ups with leading international associations such as WHO, UNICEF, and PAHO, ensuring sustained collaboration and global engagement. Existing manufacturing facilities conform to the cGMP requirements approved by WHO, Geneva. The company's manufacturing facility also complies with USFDA, indicating high levels of standards, which is important to cater highly regulated markets of the USA and the EU.

World's largest multifunctional vaccine manufacturing facility

The company has cGMP-compliant manufacturing units across 60 acres in Hadapsar and 58 acres in Manjari in Pune. These manufacturing units cater production of vaccines per the regulations of the US and European markets. Internationally, the company has manufacturing plant over 40 acres with significant installed capacity of vaccines annually in the Netherlands. The production facilities are fully compliant with cGMP and biopharmaceutical requirements.

Diversified product portfolio in vaccine segment

The company's product segments are majorly divided among bacterial vaccines, viral vaccines and recombinant products. Majority revenue is derived from bacterial vaccines and viral vaccines. However, there are wide number of vaccines within bacterial and viral segments, which diversify the company's product profile. The company is also engaged in research and development for new vaccines. CareEdge Ratings expects the company to continue maintaining its diversified product portfolio and would add more vaccines in its existing portfolio.

Diversified geographical revenue profile

SIIPL has diversified geographical profile. Historically, the company's revenue profile is dominated by exports. It supplies vaccines to over 160 countries. In FY25, the contribution of export in the company's overall revenue stood at 82% with the balance 18% contributed by the domestic market. UNICEF and PAHO are among the world's biggest buyer and supplier of vaccines by collaborating with developed, under-developed and developing countries and are SIIPL's major customers. Given the company's profile, CareEdge Ratings expects SIIPL's revenue will continue to have higher share of export business contributing ~75%-85% of its overall revenue in the medium term.

Strong profitability and steady revenue growth

SIIPL has witnessed consistent growth in revenue from operations in the last five years, registering a compound annual growth rate (CAGR) of ~8%, increasing to ₹9,715 crore in FY25 from ₹7,201 crore in FY21. FY22 was an exceptional year, with record revenue of ₹25,645 crore driven by a surge in Covishield vaccine sales. However, with decline in demand for Covishield, revenues have normalised. While FY23 and FY24 saw moderation, FY25 recorded an uptick supported by higher other operating income, which rose to ₹1,166 crore in FY25 from ₹498 crore in FY24. Other operating income primarily comprises compensation, incentives under packaging schemes, and exchange gains. The company benefits from incentives under the Package Scheme of Incentives 2013 as an ultra-mega unit, entitling it to benefits linked to industrial growth and employment beyond specified thresholds.

SIIPL also maintained strong profitability margins over the years. In FY25, profit before interest, lease rentals, depreciation and taxation (PBILDT) margin stood at ~47% (PY: ~48%), impacted by increased fixed overheads and absence of price hikes. Despite this moderation, margins remain among the best in the industry. CareEdge Ratings expects SIIPL's margin profile to remain robust, with PBILDT margins likely to stay above 40% in the medium term supported by economies of scale, rupee depreciation, and long-term contracts.

Strong financial profile

SIIPL had a robust net worth at ₹44,918 crore as on March 31, 2025 (PY: ₹40,990 crore), considering large accretion to reserves over the years. The company consistently maintained healthy operating margins with a substantial portion reinvested in the business, leading to growth in net worth and creating a strong financial base for potential contingencies. The company's track record of managing capital expenditure (capex) and working capital management primarily through its own accruals has kept the balance sheet largely unleveraged. The company has no external borrowings at the standalone level. Its debt is primarily comprised of lease liabilities and internal borrowings. The company's debt protection metrics continues to remain robust with interest coverage ratio of ~54x (PY:70x) and total debt to gross cash accrual (TD/GCA) of 0.19x (PY:0.18x) in FY25. CareEdge Ratings believes with sustainment in revenue and profitability and no envisaged debt-funded capex, the company's financial risk profile is expected to remain strong in the medium term.

Key weaknesses

Exposure to subsidiaries and group companies

SIIPL has subsidiaries, step-down subsidiaries and associate companies, in which it made investments in the form equity and preference capital. Some subsidiaries have loans, for which SIIPL has extended corporate guarantee. In its analysis, CareEdge Ratings has loaded the entire sanction limit of bank facilities and outstanding loans of subsidiaries in SIIPL's financials and notes that the capital structure continues to remain comfortable with sizable liquidity available in SIIPL.

Liquidity: Strong

The company's liquidity position is strong marked by healthy liquid investments of ₹4,398 crore apart from cash and bank balance of ₹1,740 crore as on March 31, 2025. The company has generated strong cash accrual of ₹5,128 crore in FY25. The company's working capital requirements are largely met through internal accruals leading to nil utilisation of fund-based working capital limits, which provides additional liquidity cushion to the company. At a standalone level, the company does not have term loan, however, even after factoring repayments of ~₹125 crore (€12 million) for FY26, for the loan availed by one of its subsidiaries, the company's liquidity position is expected to remain strong. CareEdge Ratings expects the company will continue to generate cash accruals of over ₹3,500 crore every year in the medium term and will continue to maintain robust liquidity position.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

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 and biotechnology	Pharmaceuticals

SIIPL was incorporated in 1966 as a partnership firm and promoted by the Poonawalla Group headed by Dr Cyrus S Poonawalla to manufacture life-saving immune-biological, which were in short supply in India and were imported at high prices. The company was reconstituted as a public limited company on May 22, 1984, and named 'Serum Institute of India Limited'. On October 21, 2015, the company was converted to a private limited company and its name changed to current name. Over the years, SIIPL has grown to become one of the leading global producers of vaccines, particularly for measles and the DTP (diphtheria, tetanus, and pertussis) group. The company also played a pivotal role during the COVID-19 pandemic as the manufacturer of Covishield, one of India's primary vaccines against COVID-19.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	9549	9715	5670
PBILDT	4554	4526	2434
PAT	4279	4631	-
Overall gearing (times)	0.02	0.02	-
Interest coverage (times)	70.06	53.88	121.70

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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 - LT/ ST-Working Capital Limits	-	-	-	-	100.00	CARE AAA; Stable / CARE A1+
Fund-based/Non-fund-based-LT/ST	-	-	-	-	2600.00	CARE AAA; Stable / CARE A1+
Fund-based/Non-fund-based-Short Term	-	-	-	-	350.00	CARE A1+
Non-fund-based-LT/ST	-	-	-	-	400.00	CARE AAA; Stable / CARE A1+

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 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/Non-fund-based-LT/ST	LT/ST	2600.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (10-Jan-25)	1)CARE AAA; Stable / CARE A1+ (07-Dec-23)	1)CARE AAA; Stable / CARE A1+ (03-Jan-23)
2	Non-fund-based-LT/ST	LT/ST	400.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (10-Jan-25)	1)CARE AAA; Stable / CARE A1+ (07-Dec-23)	1)CARE AAA; Stable / CARE A1+ (03-Jan-23)
3	Fund-based/Non-fund-based-Short Term	ST	350.00	CARE A1+	-	1)CARE A1+ (10-Jan-25)	1)CARE A1+ (07-Dec-23)	1)CARE A1+ (03-Jan-23)
4	Fund-based - LT/ ST-Working Capital Limits	LT/ST	100.00	CARE AAA; Stable / CARE A1+	-	1)CARE AAA; Stable / CARE A1+ (10-Jan-25)	1)CARE AAA; Stable / CARE A1+ (07-Dec-23)	1)CARE AAA; Stable / CARE A1+ (03-Jan-23)

LT: Long term; ST: Short term; LT/ST: Long term/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 - LT/ ST-Working Capital Limits	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	Fund-based/Non-fund-based-Short Term	Simple
4	Non-fund-based-LT/ST	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge 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

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Ranjan Sharma Senior Director **CARE Ratings Limited** Phone: +91-22-6754-3453 E-mail: ranjan.sharma@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Pulkit Agarwal Director **CARE Ratings Limited** Phone: +91-22-6754-3505 E-mail: pulkit.agarwal@careedge.in Pritesh Rathi Assistant Director **CARE Ratings Limited** Phone: +91-20-4000-9000 E-mail: pritesh.rathi@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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