

Borosil Scientific Limited

December 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	0.53 (Reduced from 2.10)	CARE A+; Stable	Reaffirmed
Long-term / Short-term bank facilities	99.47 (Enhanced from 97.90)	CARE A+; Stable / CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Borosil Scientific Limited (BSL) reflects its dominant position in the domestic laboratory glassware segment, strong 'Borosil' brand equity, and promoters' extensive experience in the glassware industry. The company also benefits from diversified operations across four segments, a large product portfolio, a wide distribution network, and stable demand from pharmaceutical and medical research sectors. CARE Ratings Limited (CareEdge Ratings) also factors BSL's low leverage and comfortable debt coverage indicators, supported by healthy cash accruals and minimal debt obligations and its strong liquidity.

However, these rating strengths are partially tempered by lower-than-expected revenue and operating profitability of the company in FY25 (FY refers to April 01 to March 31) and H1FY26 due to delay in turnaround of its primary pharma packaging and lab process equipment business segments. Rating strengths are also constrained by BSL's modest scale of operations, working capital intensive operations, and profitability margin vulnerable to raw material price volatility and foreign exchange rate fluctuations. Timely turnaround of its primary pharma packaging and lab process equipment business segments will be key rating monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in scale of operations and sustained profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of over 20% with comfortable debt coverage indicators.

Negative factors

- Sharp decline in scale of operations or PBILDT margin falling below 12% on a sustained basis.
- Large debt-funded capital expenditure or prolonged working capital cycle resulting in net debt/PBILDT exceeding 1x.

Analytical approach: Consolidated

CareEdge Ratings has considered BSL's consolidated financials along with its sole subsidiary, Goel Scientific Glass Works Limited (GSGWL). GSGWL operates in a similar business segment and has significant financial and managerial linkages with BSL. Operational and managerial linkages with the Borosil group have also been factored into the rating. Consolidated subsidiaries are provided in Annexure-6.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that BSL shall maintain its operational performance, supported by its established track record and strong market position in the domestic laboratory glassware industry. Stable outlook also indicates expectation of steady cash accruals against minimum debt repayment obligation, comfortable debt coverage indicators, and a low capital structure in absence of debt drawl plans.

Detailed description of key rating drivers:

Key strengths

Established brand and leading market position in the domestic laboratory glassware industry

BSL, part of the Borosil group, benefits from over five decades of experience in glass manufacturing. The company is professionally managed under the supervision of a competent board. BSL is a market leader in the domestic laboratory glassware industry with a market share of over 50% (Source: company) and a strong brand ("Borosil") recognition among its consumers. Due to nature of the industry, strong brand recognition and consistent adherence to quality ensures customers stickiness.

Diversified operations and wide marketing and distribution network

BSL has a presence in four business segments in laboratory and pharma packaging products (i) laboratory glassware, (ii) laboratory instruments, (iii) laboratory process equipment, and (iv) pharmaceutical packaging, (glass). It also undertakes contract manufacturing work for one of its group companies, Borosil Limited (BL). BSL has a portfolio of over 4,000 products across

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

business segments, four warehouses across India and over 150 distributors. It has a diversified customer and product profile with top 10 customers and top 10 products contributing ~26% and 9% of its total operating income (TOI) respectively in FY25 (PY: 30% and 7%, respectively). Pharmaceuticals and life science companies are biggest end-users of BSL's product driving ~60% of its TOI in FY25, followed by schools and universities and research institutes. Laboratory glassware is BSL's oldest and biggest business segment. However, the company has made consistent efforts to reduce its dependence on a single business segment through organic and inorganic expansion. Laboratory glassware and instruments, contract manufacturing (for BL), primary pharma packaging and laboratory process equipment (under GSGWL) contributed 61%, 12%, 16% and 10% of its total revenue, respectively, in FY25 (PY: 57%, 16%, 16%, and 10%, respectively).

Low leverage and comfortable debt coverage indicators

BSL has a strong financial risk profile marked by low leverage and comfortable debt coverage indicators. Its overall gearing remained low at 0.04x as of March 31, 2025. BSL funds majority of its working capital needs through internal accruals. BSL's total debt/PBILDT and PBILDT interest coverage ratio remained at 0.27x and 34.25x respectively in FY25. BSL is expected to incur capex of ~₹40 crore in FY26. The capex includes modernisation and building warehouse at primary pharma packaging plant, capacity expansion at scientific glassware and laboratory process equipment plants and building software for laboratory instrument plants. The entire capex is expected to be funded through internal accruals and existing liquid surplus. CareEdge Ratings envisages BSL's total debt/PBILDT to remain below 0.3x and PBILDT interest coverage ratio to remain above 20x in the near-to-medium term backed by low reliance on external borrowing and healthy cash accruals.

Stable industry outlook

Despite being a relatively small part of the global laboratory consumables market, the Indian market is growing rapidly due to increased investments in research and development, particularly in pharmaceutical and biotechnology sectors, technological advancements, and expanding healthcare infrastructure. The domestic demand for quality laboratory instruments and process equipment is mainly met through imports, as there is no major branded player operating in the segment. Opportunities exist for domestic players to capture this large market as domestic players have several competitive advantages such as lower cost, better customer support, and lower lead time, among others compared to imported goods.

Key weaknesses

Lower-than-envisaged revenue and profitability in FY25 and H1FY26

BSL's revenue remained lower-than-envisaged in FY25 due to continued weaker performance of its primary pharma packaging and laboratory process equipment divisions. CareEdge Ratings had envisaged both divisions to operationally breakeven by end of FY25. Primary pharma packaging division faced challenges of lower demand and operating inefficiency. BSL consolidated two manufacturing units of pharma packaging business into one resulting in higher operating cost.

Performance of its lab process equipment business also remained significantly weaker in FY25 compared to envisaged due to lower order-book and operational inefficiency. Operating loss of this division further increased in H1FY26 (y-o-y and q-o-q). As discussed with management, the order-book has substantially increased in recent months which is expected to lead to improvement in operating profitability going forward. The management has indicated that its primary pharma packaging division and lab process equipment divisions are expected to achieve breakeven by end of FY26 and FY28 respectively.

In H1FY6, BSL reported a stable consolidated total income of ₹203 crore with PBILDT margin of 6.36% against total income of ₹208 crore and PBILDT margin of 12.53% in H1FY25. The company also introduced Voluntary Retirement Scheme (VRS) for eligible workers, which resulted in exceptional cost of ~₹6.7 crore in H1FY26. The company is incurring capex for modernising its plant to enhance capacity and improve production efficiency. With lower operating profitability and exceptional cost in the form of VRS, BSL incurred a marginal net loss in H1FY26.

Overall scale of operations and profitability in FY25 and H1FY26 are supported by continued healthy performance of its laboratory glassware and instrument business. CareEdge Ratings envisages BSL's consolidated total income to grow by ~10% in near-to-medium term, while its PBILDT margin may improve to ~15% in medium term.

Working capital intensive operations

BSL imports over 50% of its raw material requirement. It therefore maintains inventory of 3-4 months considering lead time associated with imports. Its product portfolio comprises 4000+ SKUs and it operates four warehouses across India to ensure timely product availability for customers. This leads to higher finished goods inventory period. BSL extends credit period of 30-60 days to its distributors. Working capital cycle stood at 116 days in FY25 and is expected to remain at ~120 days in the near-to-medium term.

Operating margin vulnerable to raw material price volatility and foreign exchange rate fluctuations

Glass tubes are a major raw material for BSL. A sharp increase in raw material prices may adversely impact its profitability. As discussed with the management, the global glass tube market is competitive and has surplus capacity, which ensures competitive pricing for BSL's raw material. BSL imports over 50% of its raw material from countries such as Germany, China, and Thailand, among others. BSL also earns ~15% of its total revenue from export markets, which provides a nature hedge cover to some extent. Currently, BSL does not have a formal hedging policy. Hence, sudden adverse fluctuation in foreign exchange rate may adversely affect its profitability.

Liquidity: Strong

BSL's liquidity remains strong marked by healthy cash-flow from operations, modest average utilisation of its fund-based working capital limits at ~23% in the last 12 months ended August 2025 and envisaged healthy cash accruals. It has modest annual term-debt repayment obligation of ~₹1-2 crore in FY26-FY27. BSL has cash equivalents of ~₹120 crore as on March 31, 2025, provides addition liquidity cushion. BSL is expected to incur capex of ~₹40 crore in FY26 which will be entirely funded through internal accruals and available liquid surplus. Its undrawn working capital limit and available liquidity are more than sufficient to meet its incremental working capital requirement in near-to-medium term.

Applicable criteria

[Definition of Default](#)

[Consolidation](#)

[Factoring Linkages Parent Sub JV Group](#)

[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
Industrials	Capital goods	Industrial products	Other industrial products

BSL is a part of the Borosil group, which was promoted by the Kheruka Family. BSL is engaged in manufacturing and selling laboratory glassware (consumables), pharmaceutical packaging products, laboratory instruments, and laboratory process products. BSL sells laboratory glassware under brand 'Borosil' and laboratory instruments under the brand 'Labquest'.

BL had two businesses: consumer glassware and laboratory glassware till 2015. It entered the pharma packaging business in 2016 by acquiring Klasspack Private Limited (KPPL). The group entered the laboratory instrument business (presently dominated by imports) by setting up greenfield manufacturing facility near Pune. Laboratory instruments and laboratory glassware businesses were transferred from BL to KPPL. Subsequently, KPPL was renamed BSL and demerged from BL. In FY24, BSL acquired GSGWL, Vadodara in FY24 to enter laboratory process products. BSL was listed on stock exchanges in June 2024.

Brief Financials (₹ crore) - Consolidated	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	397	439	203
PBILDT	47	53	13
PAT	23	27	-1
Overall gearing (times)	0.06	0.04	0.03
Interest coverage (times)	17.51	34.25	21.15

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 - LT-Term Loan	-	-	-	31-03-2026	0.53	CARE A+; Stable
Fund-based/Non-fund-based-LT/ST	-	-	-	-	3.00	CARE A+; Stable / CARE A1+
Fund-based/Non-fund-based-LT/ST	-	-	-	-	96.47	CARE A+; 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 - LT-Term Loan	LT	0.53	CARE A+; Stable	-	1)CARE A+; Stable (11-Dec-24)	-	-
2	Fund-based/Non-fund-based-LT/ST	LT/ST	3.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (11-Dec-24)	-	-
3	Fund-based/Non-fund-based-LT/ST	LT/ST	96.47	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (11-Dec-24)	-	-

LT: Long 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-Term Loan	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)**Annexure-6: List of entities consolidated**

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Goel Scientific Glasswork Limited	Full	Subsidiary

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 Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Krunal Pankajkumar Modi Director CARE Ratings Limited Phone: +91-79-4026 5614 E-mail: krunal.modi@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: 91 22 6754 3404 E-mail: saikat.roy@careedge.in	Akshay Dilipbhai Morbiya Assistant Director CARE Ratings Limited Phone: 079-4026 5619 E-mail: akshay.morbiya@careedge.in
	Dhruv Shah Assistant Director CARE Ratings Limited Phone: 079-4026 5656 E-mail: dhruv.shah@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

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**