Bioneeds India Private Limited

March 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	19.88 (Reduced from 28.36)	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to bank facilities of Bioneeds India Private Limited (BIPL) continues to derive strength from its resourceful parent, Veeda Clinical Research Limited (VCRL), which has strong presence in the clinical research domain, established track record of BIPL in pre-clinical research, geographically diversified revenue profile, and established relationship with reputed and diversified customer base. The rating also factors in its healthy profitability, comfortable capital structure and debt coverage indicators, and adequate liquidity.

However, the rating continues to remain constrained considering BIPL's moderate scale of operations, exposure to regulatory risk, increasing competition in the clinical research industry, and susceptibility of its profitability to foreign exchange fluctuation risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in credit profile of parent, VCRL.
- Sustainable improvement in scale of operations with total operating income (TOI) above ₹200 crore while maintaining profit before interest, lease, depreciation, and tax (PBILDT) margin over 35%.

Negative factors

- Deterioration in the credit profile of VCRL.
- Deterioration in capital structure with overall gearing above 1.50x.

Analytical approach: Standalone and factoring in parentage of VCRL from which it derives managerial, operational, and financial support.

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that the company shall continue to benefit from the extensive experience of its parent, VCRL, and established track record of BIPL in the pre-clinical research domain.

Detailed description of key rating drivers:

Key strengths

Experienced management team

BIPL's management team consists of Dr SN Vinay Babu, founder and managing director, having over 15 years of experience in the pre-clinical research. He also serves on VCRL's board, strengthening strategic alignment. Dr Nitin M Shetty, chief technical officer-preclinical services, brings over 30 years of pharmaceutical industry experience in drug discovery and development in research and development (R&D) and CRO in India. BIPL's board of directors is well-diversified with total six directors, including a nominee director from VCRL and its group CFO, Nirmal Bhatia.

Resourceful parent and strong operational synergies

VCRL is a full service independent Indian clinical CRO with facilities inspected by regulatory authorities such as the US Food and Drug Administration (USFDA), Medicines and Healthcare products Regulatory Agency (MHRA, UK), World Health Organisation (WHO), The National Health Surveillance Agency of Brazil (ANVISA), Drugs Controller General of India (DCGI), European Medicine Agency (EMA), among others. On a standalone basis, VCRL had a strong net worth base of ~₹1,005 crore as on March 31, 2025 with healthy liquid investments and cash and bank balance of ~₹60.61 crore as on December 31, 2025. VCRL has gradually increased its equity stake in BIPL to 91% as on March 31, 2025, and has also acquired 100% equity stake in Health Data Specialist Holding Limited ("Heads") through its wholly-owned subsidiary Veeda Clinical Research Ireland Limited (Veeda Ireland) in March

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

2024. VCRL has also invested ₹23.33 crore in optionally convertible redeemable preference shares (OCRPS) of BIPL. CareEdge Ratings expects synergies from VCRL, BIPL, and Heads to enhance competitiveness and support revenue growth in the medium term as the group has strengthened its position in the CRO value chain.

Established track record with geographically diversified revenue profile and diversified and reputed customer base
BIPL has a fully-equipped pre-clinical research facility with capacity of 127 animal rooms in Devarahosahally, Karnataka. It has longstanding relationship with reputed Indian and global customers across China, Denmark, Germany, Malaysia, Singapore, Japan, Spain, Sweden, and Switzerland, among other countries. The company continues to add established clients, resulting in a diversified customer base, with its top 10 customers contributing ~37% of net sales in FY25 and 32% in 9MFY26.

BIPL holds multiple Indian and global accreditations, and undergoes regular audits by regulatory bodies across the globe. BIPL has also obtained the license from regulatory authorities for conducting non-terminal preclinical trials on dogs and has built a dedicated facility for the same. Exports accounted for 80% of net sales in FY25 and 86% in 9MFY26. The diversified geographical presence and strong customer relationships are expected to support revenue stability in the medium term.

Healthy profitability
BIPL's operating profitability remained healthy despite moderation with PBILDT margin of 33% in FY25 (FY24: 38%). Moderation was due to higher employee costs and under-absorption of fixed overheads. However, the gross cash accruals (GCA) remained stable at ₹28.78 crore in FY25 (FY24: ₹28.64 crore) due to low finance cost.
In 9MFY26, margins declined to ~21% owing to lower revenue leading to lower absorption of fixed cost. CareEdge Ratings expects margins to remain in the range of 25-27% in the near-to-medium term as scale improves.

Comfortable capital structure and debt coverage indicators
The company's capital structure remained comfortable with improvement in overall gearing to 0.69x as on March 31, 2024, against 0.98x as on March 31, 2024, supported by healthy accretion of profits to the net worth base. VCRL has subscribed to OCRPS of BIPL amounting ₹23.33 crore, which has been considered as part of the net worth. Total outside liabilities to tangible net worth (TOL/TNW) improved to 1.31x as on March 31, 2025 against 1.83x as on March 31, 2024, driven by reduction in total debt. Going forward, CareEdge Ratings expects capital structure to remain comfortable with steady accretion of profits to its net worth base. Debt coverage indictors also remained comfortable marked by PBILDT/interest coverage and TD/GCA of 5.11x and 2.07x, respectively, in FY25. The PBILDT interest coverage moderated to 2.86x in 9MFY26 due to lower profitability; however, it is expected to improve going forward with recovery in scale and operating margins.

Key weaknesses

Moderate scale of operations
BIPL's TOI grew marginally to ₹122.91 crore in FY25 compared to ₹115.17 crore in FY24. The company discontinued its medical devices testing segment in 9MFY26 due to muted traction, resulting in decline in TOI to ₹74.39 crore in 9MFY26 compared to ₹93.70 crore in 9MFY25. The scale of operations is expected to recover gradually and is likely to reach a TOI of ~₹120 crore by FY27, supported by increasing traction in the Agro-chemicals and Pharma segments and steady execution of the existing order book.

Exposure to high regulatory risk and forex risk
The CRO industry is subject to the regulatory and reputation risks associated with the type of studies. The regulatory landscape is complex and evolving continuously. Companies need to stringently follow a multitude of regulatory requirements and guidelines, which varies significantly across regions and countries. Preclinical CROs typically use animals such as rats, mice, guineapigs, rabbits, canines, bovines, or non-human primates in testing drugs, medical devices or chemicals for checking safety profiles. Worldwide, several countries have banned or restricted certain animal testing for certain drugs, presenting significant regulatory risk. Adverse changes in regulations can impact the company's operations.
BIPL is a net exporter with exports contributing ~80% of its revenue in FY25. However, it does not have an active hedging policy, thus making its profitability susceptible to volatile foreign exchange fluctuation risk.

Increasing competition in the Indian CRO industry
The growth of the Indian CRO industry will be driven by increased outsourcing from international pharmaceutical companies. Cost pressures faced by international companies are creating the need for pharmaceutical companies to implement cost-cutting measures across operations, including drug development costs. The preclinical CRO market is highly competitive, with the presence of large established multinationals companies with small but specialised service providers. Large pharmaceutical players have their own CROs, further intensifying competition. Market consolidation through mergers and acquisitions (M&As) is also

creating large integrated service providers, which may impact smaller CROs as they need to evolve in the changing technological landscape to provide unique value propositions.

Liquidity: Adequate

BIPL has adequate liquidity, supported by expected GCA of ₹19-24 crore against debt repayment obligations of ~₹4-9 crore for the next two years ended FY27 with the debt projected to be fully repaid by end-FY27. The average working capital limits utilisation remained moderate at 75% in the last 12 months ended December 2025. The company has consistently reported positive cashflow from operations (CFO) in the last five years with ₹32.61 crore in FY25. Cash and bank balance stood at ₹1.02 crore as on March 31, 2025 (₹6.43 crore as on December 31, 2025). Operating cycle improved to 56 days in FY25 compared to 92 days in FY23 with improvement in the collection period.

Assumptions/Covenants: Not applicable

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

Applicable criteria

Factoring Linkages Parent Sub JV Group
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Pharmaceuticals
Financial Ratios – Non financial Sector
Service Sector Companies

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals and biotechnology	Pharmaceuticals

Established in 2007, BIPL (CIN: U01409KA2007PTC042282) is a Bengaluru-based preclinical CRO. BIPL is in providing integrated discovery, development, and regulatory services to pharmaceutical, biopharmaceutical, agrochemical, industrial chemical, herbal and nutraceutical, cosmetics, and animal health companies. It has a fully equipped pre-clinical research facility with capacity of 127 animal rooms in Devarahosahally in Bengaluru, Karnataka. BIPL's parent, VCRL is a full service global CRO specialising in early clinical development of drugs by conducting early phase clinical trials on healthy volunteers and patients. VCRL holds 91% in BIPL as on December 31, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	115.17	122.91	74.39
PBILDT*	44.16	40.95	15.34
Profit after tax (PAT)	14.34	14.07	-0.56
Overall gearing (x)	0.98	0.69	NA
Interest coverage (x)	4.85	5.11	2.86

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-Cash Credit		-	-	-	12.50	CARE BBB+; Stable
Fund-based - LT-Term Loan		-	-	31/05/2028	7.38	CARE BBB+; Stable

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	7.38	CARE BBB+; Stable	-	1)CARE BBB+; Stable (18-Mar-25) 2)CARE BBB (RWD) (03-Apr-24)	1)CARE BBB; Stable (07-Apr-23)	1)CARE BBB; Stable (08-Apr-22)
2	Fund-based - LT-Cash Credit	LT	12.50	CARE BBB+; Stable	-	1)CARE BBB+; Stable (18-Mar-25) 2)CARE BBB (RWD) (03-Apr-24)	1)CARE BBB; Stable (07-Apr-23)	1)CARE BBB; Stable (08-Apr-22)

LT: Long 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	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.

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About us:
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