

Veeda Clinical Research Limited

March 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	20.00	CARE A-; Stable / CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Veeda Clinical Research Limited (VCRL) continue to derive strength from company's experienced and well-qualified management team, its established operational track record backed by well-equipped facilities, and its reputed and diversified customer base. Ratings also factor strengthening of VCRL's competitive position in the clinical research value chain with its subsidiary, Bioneds India Private Limited (BIPL; rated 'CARE BBB+; Stable') as a pre-clinical research organisation (CRO) and acquisition of Health Data Specialists (Holdings) Limited (Heads), which specialises in conducting late phase clinical trial in oncology segment. Ratings further derive strength from the company's growing scale of operations with healthy profitability, comfortable capital structure, and adequate liquidity.

Ratings continue to remain constrained considering VCRL's moderate debt coverage indicators, risk of lower-than-expected synergy benefits from acquisition of Heads, sizeable contingent liabilities, regulatory risks associated with the clinical research industry, and susceptibility of its profitability to volatile foreign exchange rates.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Diversification of service offering leading to growth in total operating income (TOI) beyond ₹600 crore and profit before interest, lease, depreciation, and tax (PBILDT) margin of ~25% on a sustained basis.
- Significant improvement in return on capital employed (ROCE) through synergy benefits derived from acquisition of Heads.

Negative factors

- Significant decline in TOI below ₹300 crore and PBILDT margin of less than 16% on a sustained basis.
- Any significant cash outflow considering higher-than-envisaged payment of acquisition related contingent consideration (in the event of non-issuance of equity shares) / crystallisation of its contingent liability impacting the liquidity of the company.
- Deterioration in debt coverage indicators with PBILDT interest coverage below 3x and total debt to PBILDT above 4x on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered consolidated financials of VCRL and its subsidiaries. The list of subsidiaries whose financials have been consolidated is mentioned in Annexure-6.

Outlook: Stable

The 'Stable' outlook on the long-term rating of VCRL indicates CareEdge Ratings' expectation that the company will continue to benefit from its established track record and strong presence in the clinical research value-chain, synergies arising from the acquisition of Heads and its healthy liquidity, which would enable the company to sustain its financial risk profile over the medium term.

Detailed description of key rating drivers:

Key strengths

Experienced and well-qualified management team

Promoted by Apurva Shah and Binoy Gardi, VCRL has a track record of over 20 years in the clinical research domain. Currently, majority stake is held by Basil Private Limited (Basil), which has been granted a category 1 global business license and is regulated by the Financial Services Commission, Mauritius. Basil operates as an investment holding company. Currently, Binoy Gardi, a qualified lawyer from United Kingdom and founder of VCRL serves as the Managing Director (MD) and Group CEO of VCRL following the resignation of Dr. Mahesh Bhalgat as MD and CEO in January 2026. Binoy Gardi has earlier served as MD of VCRL in 2004–2019 and continued to guide the organisation thereafter as a Board Member and subsequently as Vice Chairman. S N

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

Vinaya Babu who is the Founder and Managing Director of VCRL's subsidiary, BIPL, brings extensive experience in various segments of Pre-clinical trials. The company is also supported by well-qualified senior management team with vast experience in the pharmaceuticals and clinical research domain, which provides operational stability and is expected to aid business growth in the near-to-medium term.

Established operational track record in clinical research domain with established and diversified clientele

VCRL is a full service independent Indian CRO. Its facilities have been 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. VCRL has three clinical units, of which two are in Ahmedabad (established in 2004 and 2015) and one is in Mehsana (established 2019), with a total combined capacity of 588 bed as on December 31, 2025. Further, BIPL has a fully equipped pre-clinical research facility with capacity of 127 animal rooms in Devarahosahally in Bengaluru, Karnataka. VCRL has an established customer base spread across the globe with exports contributing 63% of its revenue in FY25. The customer base remains diversified, with top 10 customers contributing ~36% of its revenue in FY25 (FY24: 33%), on a standalone basis.

Strengthening of competitive position in the CRO value chain

VCRL acquired 100% equity stake in Heads (through its wholly-owned subsidiary, Veeda Clinical Research Ireland Limited) and increased its equity stake in BIPL gradually to 91% as on March 31, 2025. Heads is a full-service global CRO specialising in hemato-oncology trials and operates across 25 locations including Europe, North America and the Asia Pacific region. This acquisition enables VCRL to participate in late-phase trials, complementing its pre-clinical and early-phase capabilities.

Incorporated in 2007, BIPL offers integrated discovery, development and regulatory services and has completed over 8,500 GLP studies. It operates a large pre-clinical research facility in Karnataka and caters to customers across several geographies. It has Indian and global accreditations, and its facilities are regularly audited by regulatory bodies across the globe. The combined service portfolio of VCRL, BIPL and Heads has strengthened the group's competitive position in the CRO value chain. CareEdge Ratings expects synergies from BIPL and Heads to enhance competitiveness and support revenue growth in the medium term.

Growing scale of operations with healthy profitability

On a consolidated basis, VCRL's revenue increased from ₹389 crore in FY24 to ₹611 crore in FY25, representing ~57% YoY growth, driven largely by the acquisition of Heads. In 9MFY26, revenue of VCRL (standalone) increased to ~₹222 crore compared to ~₹199 crore in 9MFY25.

PBILDT margin improved and remained healthy at 27.5% in FY25 from 21.3% in FY24, aided by benefits from the acquisition of Heads and improved operating efficiencies. The company reported a profit after taxation (PAT) loss of ₹66.81 crore in FY25 owing to higher depreciation, one-time Initial Public Offering (IPO)-related legal expenses, non-cash interest unwinding on contingent consideration for the Heads acquisition, and shares issued under Employee Stock Option Plan (ESOP) (non-cash). However, the gross cash accruals (GCA) improved to ₹93.82 crore in FY25 from ₹47.64 crore in FY24. CareEdge Ratings expects consolidated TOI to remain ~₹660 crore in FY26 with healthy profitability, benefiting from improved offerings and resultant cost efficiencies.

Comfortable capital structure despite moderate debt coverage indicators

On a consolidated basis, VCRL's overall gearing remained comfortable but increased to 0.61x as on March 31, 2025 (0.34x as on March 31, 2024). Tangible net worth reduced to ₹818.92 crore from ₹1,016.52 crore due to reclassification of contingent consideration from equity to liability due to the company's plans to raise funds via IPO. On the other hand, total debt increased to ₹495.50 crore as on March 31, 2025, primarily due to foreign currency term loan availed for acquiring Heads.

The debt coverage indicators marked by PBILDT interest coverage moderated but remained comfortable at 4.40x in FY25 (FY24: 5.79x) owing to higher interest expenses arising from increased debt levels. Meanwhile, TD/GCA has improved to 5.28x in FY25 compared to 7.23x in FY24 on the back of higher profitability. CareEdge Ratings expects PBILDT interest coverage to improve going forward with increased profitability and gradual reduction of term debt upon scheduled repayment.

Key weaknesses

Risk of lower-than-expected synergy benefits from acquisition of Heads

While the acquisition is aimed at expanding VCRL's operations for conducting large-scale multi-geography clinical trials, VCRL's credit profile remains exposed to the risk of lower-than-expected synergy benefits from the acquisition of Heads. Any delay or shortfall in achieving the anticipated operational and cost synergies could impact the profitability and debt coverage metrics and

will remain a key rating monitorable. CareEdge Ratings will continue to monitor the benefits that will accrue to VCRL and expects timely synergy realisation to support its consolidated financial profile.

Sizeable contingent liability

On a consolidated basis, VCRL's contingent liabilities stood at ₹62 crore as on March 31, 2025 (This excludes ₹734 crore of corporate guarantees issued for the Heads acquisition as on March 31, 2025, as CareEdge Ratings has taken consolidated analytical approach). The said amount of ₹62 crore mainly comprises disputed service tax, income tax, and GST dues arising out of normal course of business.

VCRL also faces a compensation claim of ₹101.88 crore from a customer relating to clinical trials. The matter is sub judice, is covered under insurance, and contractual liability is capped at ₹1.89 crore. CareEdge Rating notes that the crystallisation of these liabilities and their impact on operations will remain crucial from the credit perspective.

Exposure to high regulatory risk and forex risk

The CRO industry faces high regulatory and reputational risks as CROs must ensure participant safety in clinical trials. The Government of India has defined compensation guidelines for injury or death in trials, and any adverse event may trigger regulatory action and affect operations.

CROs also require extensive approvals and licences, and approval timelines vary significantly across geographies. The time taken to obtain approval varies from one country to another and it ranges from a month to a year. Delays or failure in obtaining approvals can affect business prospects. CareEdge Ratings expects VCRL to maintain strong compliance standards and delay or failure in getting approvals can also adversely affect the company's business prospects.

VCRL generates 60–70% of its revenue from exports and is exposed to foreign exchange volatility. Although the company uses forward cover and benefits from a natural hedge on certain imports, timing mismatches may affect the profitability.

Increasing competition in the Indian CRO industry

Several large global pharmaceutical companies are outsourcing clinical trials to India. Although there are only a few large CROs with presence in the entire value chain of clinical research in India, the segment has numerous captive CROs by pharmaceutical companies. The company also faces competition from CROs based out of China and Eastern Europe, among others, which may have a wide portfolio of services. Cost pressures faced by companies are creating the need for pharmaceutical companies to implement cost-cutting measures across operations, including drug development costs. Hence, the increasing competitive intensity with cost pressure constrains pricing flexibility, particularly in the lower end of the service offering, especially Bioavailability (BA) or Bioequivalence (BE) study. However, CareEdge Ratings notes that VCRL benefits from its wide range of service offerings, also supported by its subsidiaries, BIPL and Heads, and its strong clientele across the globe.

Liquidity: Adequate

On a consolidated basis, VCRL has adequate liquidity, marked by expected GCA of ~₹150-200 crore against debt repayment obligations of ~₹50-140 crore for next three years ended FY28. VCRL had liquid investment and cash and bank balance of ₹105.97 crore as on March 31, 2025. Operating cycle improved to 19 days in FY25 compared to 64 days in FY24, mainly on the back of improvement in collection period. Utilisation of VCRL's fund-based working capital limits remained Nil in the last 12 months ended December 2025, providing sufficient cashflow cushion. CareEdge Ratings expects VCRL to maintain adequate liquidity in the near-to-medium term.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Pharmaceuticals](#)

[Financial Ratios – Non financial Sector](#)

[Service Sector Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

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

Originally incorporated in April 2004 under the name Clinsearch Labs Private Limited, VCRL (CIN: U73100GJ2004PLC044023) is a full service global CRO specialising in the early clinical development of drugs by conducting early phase clinical trials on healthy volunteers and patients. The company's constitution was changed to the present one on June 30, 2021.

VCRL caters to pharmaceutical and biotechnology industries worldwide by providing a full range of services such as clinical trials, healthy volunteer studies which includes BA / BE studies, pre-clinical trials and non-clinical testing and biopharma services. VCRL has three clinical units, of which two are in Ahmedabad and one in Mehsana with a combined bed capacity of 588 as on December 31, 2025.

VCRL holds 91% stake in BIPL. Veeda Clinical Research Ireland Limited (wholly-owned subsidiary of VCRL) holds 100% stake in Heads (with its eight step-down subsidiaries) as on December 31, 2025.

Brief Financials (₹ crore) - Consolidated	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	389.12	610.70
PBILDT*	82.87	167.91
Profit after tax (PAT)	-0.36	-66.81
Overall gearing (x)	0.34	0.61
Interest coverage (x)	5.79	4.40

A: Audited; 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-CC/PC/Bill Discounting		-	-	-	20.00	CARE A-; Stable / CARE A2+

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/ST-CC/PC/Bill Discounting	LT/ST	20.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (17-Mar-25) 2)CARE A- / CARE A2+ (RWD) (03-Apr-24)	1)CARE A-; Stable / CARE A2+ (07-Apr-23)	1)CARE A-; Stable / CARE A2+ (07-Apr-22)

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-CC/PC/Bill Discounting	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	Ingenuity Biosciences Private Limited	Full	Wholly owned subsidiary
2	Bionees India Private Limited	Full	Subsidiary
3	Veeda Clinical Research Ireland Limited	Full	Wholly owned subsidiary
4	Amthera Life Sciences Private Limited	Full	Subsidiary of Bionees India Private Limited
5	Health Data Specialists (Holdings) Limited	Full	Wholly owned subsidiary of Veeda Clinical Research Ireland Limited
6	Health Data Specialists Single Member S.A.	Full	Wholly Owned Subsidiary of Health Data Specialists (Holdings) Limited
7	Health Data Specialists Ireland Limited	Full	
8	Health Data Specialists S.r.l.	Full	
9	Health Data Specialists USA Inc.	Full	
10	Health Data Specialists Australia Pty Ltd.	Full	
11	Health Data Specialists B.V.	Full	
12	Heads Research GmbH	Full	
13	Heads Research AG	Full	

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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