

Maxx Orthopedics, INC.

October 09, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Short-term bank facilities	RBI	74.25 [^]	CARE A1	Reaffirmed

Details of instruments/facilities in Annexure-1.

[^]INR equivalent of US\$9 million at an exchange rate of ₹82.5/USD

Rationale and key rating drivers

The rating assigned to bank facilities of Maxx Orthopedics, INC. (Maxx) continues to derive strength from its resourceful promoter group, strong financial flexibility as part of the Meril Group (flagship company: Meril Life Sciences Private Limited [MLSPL; rated 'CARE AA; Stable/ CARE A1+'], strong operational synergies with other healthcare entities of the Meril Group, and Maxx's United States Food and Drug Administration (USFDA)-approved product portfolio in the knee and hip replacement segment. The rating further factors in its comfortable capital structure and debt coverage indicators, adequate liquidity, and favourable growth prospects for the joint replacement industry.

Earlier Maxx Medical Pte. (holding company of Maxx) was subsidiary of Micro Life Sciences Private Limited (Micro). However, pursuant to the scheme of arrangement between Micro (holding company) and MLSPL, Micro was merged into MLSPL. Hence, MLSPL became holding company of Maxx and the group's entire medical devices business.

However, the rating is constrained by Maxx's moderate scale of operations, volatile operating profitability margin, which witnessed a decline in CY25 (CY refers to period January 01 to December 31), large working capital requirement due to a long operating cycle, intense competition from well-established global players in the US and Indian markets, and regulatory risks associated with the medical devices and healthcare industry. Although the operating profitability declined in CY25 due to higher operating overheads, it recovered sharply in H1FCY26 followed by sharp improvement in gross margin during the period.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in scale of operations with improvement in its profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 15% on a sustained basis while maintaining its overall gearing ratio below 0.50x.
- Shortening of its gross operating cycle (collection period + inventory holding) to ~120 days on a sustained basis.

Negative factors

- Decline in the PBILDT interest coverage ratio below 5x and total debt/PBILDT above 3x on a sustained basis.
- Adverse changes in regulations governing the medical device/ healthcare industry.
- Deterioration in the credit profile of MLSPL, parent.

Analytical approach: Standalone

The rating further factors in linkages with MLSPL, which is the flagship company for healthcare business of the Meril group. MLSPL holds 51% equity stake in Maxx through Maxx Medical Pte. CareEdge Ratings has also applied to parent notch-up framework to arrive at rating of Maxx.

Outlook: Not applicable

Detailed description of key rating drivers

Key strengths

Part of resourceful promoter group

Maxx is a step-down subsidiary of MLSPL, which is part of the Bilakhia Group based in Vapi, Gujarat. Bilakhia Holdings Private Limited (BHPL) is the ultimate holding company of the Bilakhia Group, erstwhile promoters of Hubergroup India Private Limited (HIPL; previously known as Micro Inks Limited) and Bayer Vapi Private Limited (BVPL; previously known as Bilag Industries Private Limited). Presently, the Bilakhia Group has diversified business interests in medical devices, investments and land holdings through its companies.

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

²Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Over the years, promoters have demonstrated their ability to create business models that deliver world-class quality products and achieve economies of scale. MLSPL and its subsidiaries (Meril group) are engaged in manufacturing and marketing medical devices, such as stents, coronary angioplasty catheters, heart valves, orthopaedic implants and endo-surgery products, such as sutures, staplers, meshes, and intra-uterine devices. The Meril group also manufactures over the counter (OTC) products, such as rapid diagnostic kits (COVID-19 self-test kits and pregnancy test kits), reagents and trades specialised medical devices such as surgical robots and ultrasonic energy devices to hospitals.

On a consolidated basis, MLSPL exhibited a 36% compounded annual growth rate (CAGR) in its total operating income (TOI) for three years ended FY26 (FY refers to April 01 to March 31), driven by its increasing geographical presence and growing recognition of its products. This resulted in a healthy PBILDT margin and return on capital employed (ROCE). In FY26, MLSPL registered ~22% growth in its TOI with a healthy PBILDT margin of ~18%. MLSPL has a comfortable capital structure and debt coverage indicators, and a strong liquidity profile, supported by capital infusion of ~₹860 crore in August 2025, by a sovereign wealth fund. On a consolidated basis, MLSPL had net worth base of ₹4,614 as on March 31, 2026, and held unencumbered cash and cash equivalents of ~₹2,545 crore as on even date, which can be used to meet exigencies.

Strong operational synergies with group entities

Maxx has operational synergies with healthcare entities of the Meril group. Purchase from Meril group entity, Meril Healthcare Private Limited (MHPL; rated 'CARE AA; Stable/ CARE A1+') is ~45% of Maxx's cost of goods sold, which is engaged in manufacturing knee and hip replacement products and is an approved vendor for Maxx in India. Moreover, ~47% of Maxx's sales are to another Meril group entity, Meril Life Sciences India Private Limited (Meril India; rated 'CARE AA; Stable/ CARE A1+'), which is the marketing and distribution arm of the group's healthcare business in India. Maxx benefits from Meril India's widespread distribution network and MHPL's well-developed manufacturing facilities, which enable better control over its cost structure.

USFDA-approved knee and hip replacement implants

Maxx's Freedom Total Knee System (TKS) and instrument set for knee surgeries have received clearance under the medical devices category from the USFDA. Its product in the hip replacement segment, Libertas Hip Replacement System, also received USFDA clearance in September 2018. Despite being a relatively new player in this segment, Maxx obtained clearance for sale of its products in the US in a relatively short time and is working towards building its presence in key target markets based on the strength of its product portfolio.

Comfortable leverage and debt coverage indicators

Maxx had comfortable leverage marked by overall gearing of 0.53x as on December 31, 2025 (0.44x as on December 31, 2024). Maxx does not have long-term bank borrowings and avails fund-based limits to meet its working capital requirement. Its working capital borrowing stood at US\$6 million as on December 31, 2025. Despite the expectation of continuous investments in instrument sets (replacement and new), Maxx's leverage is expected to remain comfortable in the medium term, supported by expectation of healthy cash accruals.

Debt coverage indicators marked by PBILDT interest coverage and total debt/PBILDT remained satisfactory in CY25 at 4.04x and 6.34x, respectively (CY24: 6.32x, and 2.91x, respectively), although deteriorated compared to year ago primarily due to decline in operating profitability during the year.

CareEdge Ratings expects Maxx's financial risk profile to remain healthy over the medium term on the back by improvement in operating performance and in absence of large-sized debt-funded capex.

Favourable growth prospects for the joint replacement industry

Growing ageing population, obesity, and the desire to maintain active lifestyles are expected to drive the joint replacement market. Other prominent growth drivers include rapidly evolving techniques, such as minimally invasive surgery, hip resurfacing, custom fit implants, and partial knee replacement surgeries, and increasing trend of young patients with osteoarthritis opting for joint replacement surgery due to higher durability of new implants and improved surgical outcomes. Hence, Maxx remains active in introducing new and innovative products and has developed a revision knee system and cementless press-fit femoral component in recent years.

Liquidity: Adequate

Maxx's liquidity remains adequate marked by unutilised working capital lines of ~US\$2.5 million as on July 31, 2026, and cash balances of ~US\$0.5 million as on December 31, 2025. Cash flow from operations stood at ~US\$1.8 million in CY25. In the near-to-medium term, Maxx's liquid surplus and its unutilised working capital limits are adequate to meet funding need of growth in

its scale of operations including investments in instrument sets. Maxx's liquidity is further underpinned from the fact that MLSPL, the parent company, had a liquid surplus of ~₹2,545 crore as on March 31, 2026, which imparts additional liquidity support.

Key weaknesses

Moderate scale of operations

Maxx continues to have moderate scale of operations. In CY25, TOI declined by ~7% year-on-year (y-o-y) to ~US\$50 million (CY24: ~US\$54 million), despite growth in sales volumes, considering decline in average sales realisation. PBILDT margin also moderated to 2.54% in CY25 from 4.66% in CY24, due to higher operating overheads, employee costs, and research and development (R&D) expenditure. Decline in the revenue further constrained operating leverage. Lower operating profitability, coupled with higher depreciation, resulted in a net loss and moderation in gross cash accruals. Maxx operates in an intensely competitive environment, limiting its pricing flexibility.

Till H1CY26, Maxx's reported a revenue of ~US\$34 million, with a strong PBILDT margin of 18.84%, primarily considering significant improvement in gross margin. CARE Ratings Limited (CareEdge Ratings) expects Maxx's scale of operations to witness a steady growth considering healthy demand for its products. PBILDT margin is also expected to remain healthy over the medium term.

Large working capital requirement due to long operating cycle

Due to long operating cycle, Maxx's working capital requirement remains high. Its operating cycle remained at ~141 days in CY25 (135 days in CY24), primarily considering its inventory holding of ~145 days in CY25 (PY: 127 days). The company maintains finished goods inventory of varied sizes of implants for different markets resulting into high inventory holding period. CareEdge Ratings notes that to increase sales, the company plans to increase its distributors reach in all its key markets, which is further expected to keep inventory level at an elevated level.

High competition from well-established global players

Maxx faces stiff competition from global players, such as Zimmer Biomet, Depuy Synthes, Stryker, and Smith & Nephew, among others. These companies have been in this business for over 60 years and have well-established products compared to Maxx. Due to this, Maxx's profitability is susceptible to competitive pressure. However, Maxx has been extensively trying to penetrate and increase its market share by increasing its distributor network and through introduction of innovative products.

Regulatory risks in domestic and export markets and uncertainty surrounding USA tariff

In CY25, Maxx earned ~48% of its TOI from the US (CY24: ~36%) and the rest from India and other countries through sale of knee and hip replacement products. Hence, the company remains exposed to product defect liabilities especially in developed countries (such as the US). In September 2017, National Pharmaceutical Pricing Authority (NPPA) of India capped the prices of knee implants, which was subsequently revised upward in August 2019 and September 2024.

Maxx's sales and profitability were not impacted as the average per unit price realisation of knee implants in the last three years remained well within the price cap. Maxx remains exposed to new regulations, which may be introduced in its key markets (the US and India), as this continues to be an inherent risk in the medical devices industry.

The US had imposed additional tariffs of ~50% on most goods imported from India in August 2025, including medical devices. However, following subsequent policy changes, the applicable additional tariff on most Indian-origin goods reduced to ~18%, subject to the specific HTS classification and applicable exclusions. Considering imports from MHPL constitute ~45% of Maxx's cost of goods sold, the prevailing tariff could exert some pressure on its landed cost and operating profitability, particularly if the incremental cost cannot be passed on to customers. However, the risk has moderated considerably compared to the earlier tariff regime.

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Financial Ratios – Non financial Sector](#)

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

[Manufacturing Companies](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Healthcare equipment & supplies	Medical equipment & supplies

Incorporated in 2006 in the US, Maxx is a wholly owned subsidiary of Maxx Medical Pte Limited (MMPL), where 51% stake is held by MLSPL and balance 49% stake is held by Meeba Holdings Pte Limited, Singapore (Meeba, owned by Yunus Bilakhia). Maxx is engaged in processing and selling knee and hip replacement joints. Maxx's Freedom TKS, and a well-designed instrument set for the knee surgeries is cleared under medical devices by the USFDA, received CE mark, approved by State Food and Drug Administration P.R. China (SFDA) and by the Drug Controller General of India (DCGI). The system comprises solutions for a partial knee, primary knee, and revision knee replacement. The company's hip replacement brand - Libertas Hip Replacement System is also USFDA-approved.

Brief Financials (US \$ million)	CY24 (A)	CY25 (A)	H1CY26 (UA)
Total operating income	53.81	50.17	34.34
PBILDT	2.51	1.27	6.47
Profit after tax (PAT)	0.81	-1.20	5.81
Overall gearing (x)	0.44	0.53	NA
PBILDT Interest coverage (x)	6.32	4.04	39.12

A: Audited; UA: Unaudited; NA: Not available; Note: these are latest financial results available
Financials are reclassified per CareEdge Ratings' standards.

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - ST-Working Capital Demand loan	RBI	NA	-	-	-	-	74.25	CARE A1

NA: Not applicable

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 2026-2027	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
1	Fund-based - ST-Working Capital Demand loan	ST	74.25	CARE A1	-	1)CARE A1 (10-Oct-25)	1)CARE A1 (04-Oct-24)	1)CARE A1 (07-Jul-23)

ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: 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 Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754-3596 E-mail: mradul.mishra@careedge.in Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754-3404 E-mail: saikat.roy@careedge.in	Analytical Contacts Krunal Pankajkumar Modi Director CARE Ratings Limited Phone: +91-79-4026-5614 E-mail: krunal.modi@careedge.in Dhruv Shah Assistant Director CARE Ratings Limited Phone: +91-79-4026-5607 E-mail: dhruv.shah@careedge.in Aayush Mishra Lead Analyst CARE Ratings Limited E-mail: aayush.mishra@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

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

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