August 29, 2025

Bharat Biotech International Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short-Term – Non-fund based working capital facilities	151.00	151.00	[ICRA]A1+; reaffirmed
Long-Term/Short-Term-Fund based/Non-fund-based facilities	175.00	175.00	[ICRA]AA (Stable)/[ICRA]A1+; reaffirmed
Total	**326.00**	**326.00**	

**Instrument details are provided in Annexure I*

Rationale

The reaffirmed ratings continue to consider the extensive experience of the promoters along with the established presence of Bharat Biotech International Limited (BBIL) in the domestic and international vaccine market for over two decades. The ratings continue to factor in BBIL's strong product development capabilities and an established track record of supplying vaccines to UNICEF and the Government of India (GoI). The company witnessed a revenue growth of 10.6% in FY2025, supported primarily by scale-up of revenues from rotavirus vaccine. The operating profit margins (OPM) improved to 28.2% in FY2025 from 8.8% in FY2024 on the back of rise in revenues across vaccines and the consequent economies of scale, in addition to absence of inventory write-offs. Going forward, the margins are expected to remain healthy but may reduce to a certain extent once the Sapigen facility commences operations due to initial stage of operations at a new facility. The company has sizeable cash reserves in addition to large bonds/equity and investments as on March 31, 2025, indicating a strong liquidity position. The company's capital structure continues to remain strong with moderate external long-term debt on the balance sheet. BBIL's debt metrics remain comfortable with TD/TNW of 0.05 times and TD/OPBDITA of 0.6 times as on March 31, 2025. ICRA expects that BBIL would continue to maintain its strong financial risk profile, supported by healthy cash accruals, comfortable capital structure and coverage indicators.

However, the ratings also consider BBIL's dependence on the government and institutional businesses, leading to an elongated working capital cycle. BBIL is expected to maintain a certain level of inventory to meet the customer delivery schedules, resulting in high working capital intensity. BBIL's product concentration is high with the top four vaccines contributing the major portion to its revenues in FY2025. Moreover, a significant contribution from exports exposes the company to forex risks. Being a manufacturer of pharmaceutical products, the company, like its peers, is also exposed to regulatory risks associated with the manufacturing of pharmaceutical products, including obtaining approvals from regulatory authorities. The ratings also factor in the increasing competition and note that new entrants in key revenue generating vaccines could exert pressure on the company's margins. Nevertheless, BBIL's strong market position in the products that it supplies is expected to support its business prospects.

The ratings also consider the sizeable strategic investment in the form of capex for setting up a large vaccine manufacturing facility in the name of Sapigen Biologix Pvt Ltd., at Bhubaneswar, Odisha. The same was partly funded through debt from financial institutions. Further, the company is expected to incur capex of Rs.200-250 crore towards the same in FY2026. The investment will be funded through a mix of internal accruals, and existing cash balances. Any further significant capital expenditure (including inorganic expansion) funded through borrowed funds will remain key monitorable, going forward.

The Stable outlook on the long-term rating reflects ICRA's opinion that BBIL is likely to maintain its established market position in the vaccine industry and healthy financial profile even as its operating margins may be impacted to a certain extent during the initial stage of operations at the Sapigen facility.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters and established presence in domestic vaccine market – BBIL has a demonstrated track record of more than two decades in manufacturing vaccines with a large production capacity and a wide product profile, including vaccines for polio, rotavirus, rabies, typhoid, hepatitis, and the pentavalent vaccine. Extensive experience of the promoters in the vaccine space will continue to support the company's business profile. BBIL has three World Health Organization pre-qualified (WHO PQ) vaccines, viz., TCV, RV and OPV, which are expected to support its export supplies, going forward.

Strong track record of development capabilities – BBIL has launched more than 20 products since its inception. It is the first company in the world to launch the TCV and the first in India to launch the RV. Further, it has also been associated with reputed national and international organisations, which have provided support in the form of grants and access to low-cost funding for product development and clinical trials. The company is also undertaking development of cholera and malaria vaccines. ICRA notes that the timing of commercialisation of supplies for these vaccines and impact of the same on the company's revenues and margins will be key monitorable.

Healthy financial profile, characterised by improving margins and strong liquidity position – BBIL reported a moderate revenue growth and a significant expansion in the operating margins in FY2025, supported by improvement in vaccine supplies across the product portfolio and the benefits of economies of scale. Its revenues grew to Rs. 1,462.9 crore in FY2025 from Rs. 1,323.2 crore in FY2024 and its OPM also improved to 28.2% in FY2025 from 8.8% in FY2024. Going forward, the margins are expected to remain healthy but reduce to a certain extent due to initial stage of operations at the Sapigen facility. Further the company's credit profile remains robust with its total debt/TNW and total debt/OPBDITA at 0.05 times and 0.6 times, respectively as on March 31, 2025. The company has sizeable cash reserves in addition to large bonds/equity investments, indicating a strong liquidity position. Its liquidity is expected to continue to be supported by a steady cash flow generation.

Healthy order book position – BBIL enjoys a healthy order book position, backed by its existing product supplies to domestic as well as export markets. Going forward, the company's business prospects are expected to strengthen further, driven by anticipated new product launches and its well-established market presence.

Credit challenges

High product concentration – The company's top four vaccines contributed a major portion to BBIL's revenues in FY2025. While OPV was the key revenue contributor in the past, the company's dependence on OPV has reduced sharply with steady ramp-up in the volumes of TCV, RV and JE. Although the company faces competition in the RV and JE segments, BBIL has a strong market position for the same in export markets.

Large dependence on Government institutions; high working capital intensity – The institutional segment, which includes GOI and UNICEF, continues to generate a major part of BBIL's revenues. As these businesses are largely tender driven, so the same expose the company to risks of revenue fluctuations on account of tender losses and restrict its pricing flexibility. However, the risk is partly mitigated by BBIL's strong manufacturing capabilities and history of supplying vaccines to these agencies with a healthy market share. As on March 31, 2025, the company's working capital intensity was higher mainly due to higher inventory levels. Inventory days increased from 268 days in FY2024 to 340 days in FY2025, largely due to increased supplier lead times and additional inventory procured for the Sapigen facility. Going forward, with the expected commencement of production at the Sapigen facility in FY2026, the inventory days are expected to reduce and will remain a key rating monitorable for the company.

Competitive pressure in the vaccine segment – BBIL was the only manufacturer of RV in India until 2017 and accordingly secured 100% of the orders floated by the GoI for the Universal Immunization Program (UIP). Although BBIL's market share reduced in the subsequent years with the launch of RV by a competitor, it has maintained a healthy market position in the domestic RV segment. Going forward, increase in competition on account of new entrants in the key revenue-generating vaccine segments like RV, TCV and JE could exert pressure on its margins. Nevertheless, BBIL's strong market position in these vaccine products are expected to support its business prospects.

Liquidity position: Strong

BBIL's liquidity position is strong, characterised by sizeable cash and liquid investments, in addition to large investments in long-term instruments. The company's average working capital utilisation stood at 19% in the last 12 months ending in June 2025, providing sufficient cushion for liquidity. BBIL is likely to incur capex of around Rs. 280 crore in FY2026 at the consolidated level, which is expected to be funded by internal accruals. ICRA expects BBIL's liquidity position to remain strong over the medium term owing to its healthy accruals as well as existing cash and liquid investment reserves. The debt repayments are expected to be Rs. 25 crore and Rs. 35 crore in FY2026 and FY2027, respectively. The company is expected to have healthy internal accruals, which will be adequate to meet all its operational and repayment obligations.

Rating sensitivities

Positive factors – The rating can be upgraded in case of a sustained increase in scale of operations and earnings, with diversification across products while maintaining a strong liquidity position and debt coverage metrics.

Negative factors – Pressure on the company's ratings could arise in case of a sustained deterioration in its operational performance or significant debt-funded capex/ acquisitions, leading to the weakening of its credit profile and liquidity position. Specific metric that could result in a rating downgrade would include total debt/OPBDITA more than 1.8 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceuticals
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has taken consolidated financial statements of BBIL

About the company

Incorporated in 1996, BBIL is promoted by Dr. Krishna Ella and is involved in manufacturing vaccines for both domestic and export markets. BBIL's key products in the vaccine segment are TCV, RV, JE vaccine and OPV. The company also developed COVAXIN in FY2021, which contributed to a substantial improvement in its revenues and liquidity position in FY2022. As on July 31, 2025, the promoter family held 100% equity stake in the company, directly or indirectly.

Key financial indicators (audited)

BBIL (consolidated)	FY2024	FY2025*
Operating income	1,323.2	1,462.9
PAT	287.1	371.5
OPBDITA/OI	8.8%	28.2%
PAT/OI	21.7%	25.4%
Total outside liabilities/Tangible net worth (times)	0.1	0.2
Total debt/OPBDITA (times)	-	0.6
Interest coverage (times)	34.9	16.9

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation; * Provisional numbers*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current ratings				Chronology of rating history for the past 3 years					
	FY2026				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Non-fund based working capital facilities	Short-term	151.00	Aug 29, 2025	[ICRA]A1+	Jun 28, 2024	[ICRA]A1+	-	-	Mar 24, 2023	[ICRA]A1+
Fund/Non-fund-based facilities	Long-Term/ Short-Term-	175.00	Aug 29, 2025	[ICRA]AA (Stable)/ [ICRA]A1+	Jun 28, 2024	[ICRA]AA (Stable)/ [ICRA]A1+	-	-	Mar 24, 2023	[ICRA]AA (Stable)/ [ICRA]A1+

Complexity level of the rated instruments

Instrument	Complexity indicator
Short-Term – non-fund based working capital facilities	Very Simple
Long-Term/Short-Term-Fund/Non-fund-based facilities	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Short-Term – non-fund based working capital facilities	FY2021	NA	NA	151.00	[ICRA]A1+
NA	Long-Term/Short-Term-Fund/Non-fund-based facilities	FY2021	NA	NA	175.00	[ICRA]AA (Stable)/[ICRA]A1+

Source: Company; Note: Amount in Rs. Crore

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company name	BBIL Ownership	Consolidation approach
Chiron Behring Vaccines Private Limited	100.00%	Full consolidation
Sapigen Biologix Private Limited	52.00%	Full consolidation

Source: Annual report

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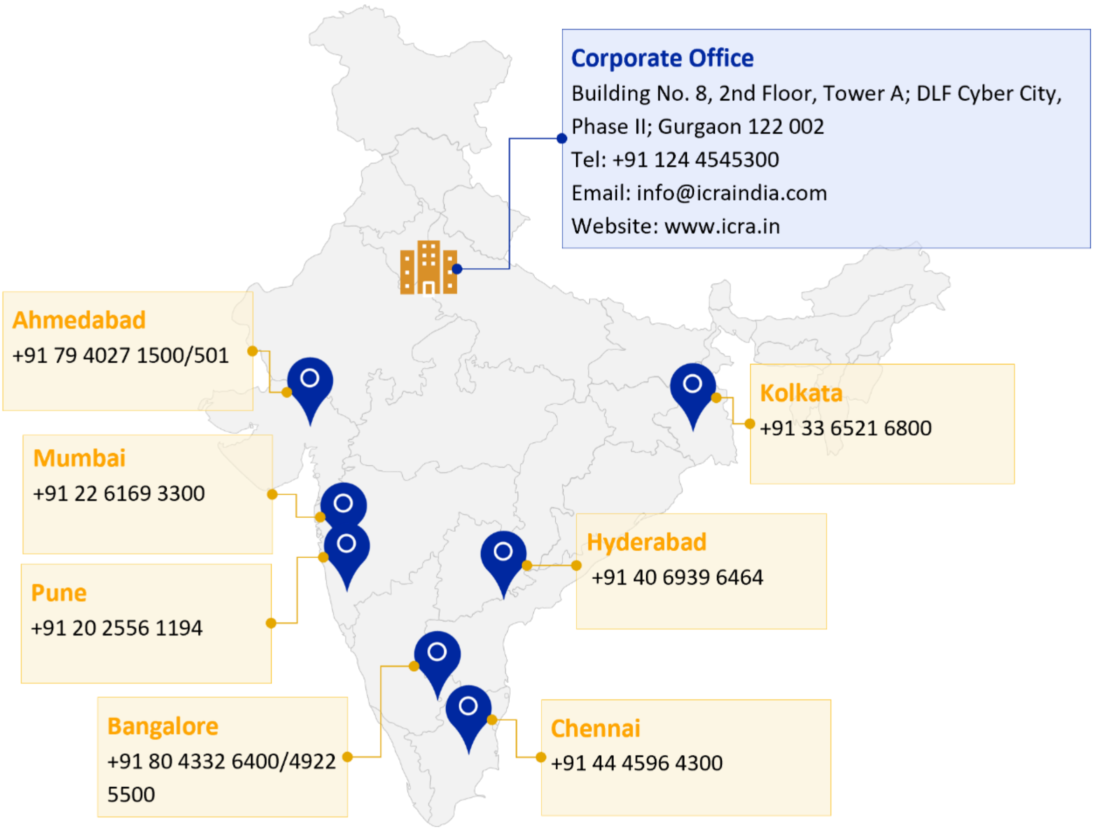

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