October 10, 2025

Pinnacle Biomed Private Limited: Ratings reaffirmed; Removed from Issuer Not Cooperating Category

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short term – Non-Fund based – Others	5.0	5.0	[ICRA]A4; reaffirmed; removed from Issuer Not Cooperating Category
Long term – Fund based – Cash Credit	20.0	20.0	[ICRA]B+ (Stable); reaffirmed; removed from Issuer Not Cooperating Category
Total	25.0	25.0	

**Instrument details are provided in Annexure I*

Rationale

The ratings assigned to Pinnacle Biomed Private Limited (PBPL) have been removed from the Issuer Not Cooperating Category and has been reaffirmed at [ICRA]B+(Stable)/[ICRA]A4.

The ratings for PBPL factor in the extensive experience of the promoters of more than two decades in the healthcare consumables industry. The ratings favourably factor in the increasing demand for healthcare services and better affordability on the back of increasing awareness among people and higher penetration of health insurance in India, thus lending healthy demand prospects for hospital infrastructure projects over the medium term.

The ratings are, however, constrained by PBPL's modest, albeit growing, scale of operations. While the company ventured in providing hospital infrastructure projects from FY2022, ramp-up of operations remains to be seen. The company's financial profile is moderate, characterised by a modest net worth of Rs. 19 crore as on March 31, 2025, resulting in high leverage with a gearing of 1.8 times and total outside liabilities vis-à-vis tangible net worth (TOL/TNW) of 3.0 times as on March 31, 2025. The ratings also factor in its working capital-intensive nature of operations, marked by an elongated receivable cycle. Timely collection of receivables will remain a key rating monitorable. Further, ICRA notes PBPL's large upcoming debt repayment of Rs. 15.8 crore in FY2027 (including redemption premium) and its current stretched liquidity position, marked by complete utilisation of fund-based and non-fund based bank limits.

The Stable outlook on the long-term rating reflects ICRA's opinion that PBPL's scale of operations will gradually improve over the medium term as it ramps up its hospital infrastructure project segment. The company's ability to timely refinance the upcoming debt repayment obligations as well as generate adequate returns from turnkey projects will be closely monitored.

Key rating drivers and their description

Credit strengths

Experienced promoters in the healthcare consumables industry – PBPL's directors have an extensive experience of more than four decades in trading of advanced and specialised pharmaceutical and healthcare products with various other entities of the promoters such as Wellness Forever Medicate Limited and Lilac Insights Private Limited operating in the same industry. This has facilitated the company to establish its presence across Maharashtra.

Healthy demand outlook for healthcare industry – India remains an under-invested and under-penetrated market as it has a significant shortage of hospital beds. While the Government investments in the same are limited, it has been increasing. The demand outlook for healthcare services is stable, given the underlying fundamentals, including an ageing population, increasing health insurance penetration, rising incidence of lifestyle diseases, higher disposable income, and growing awareness about healthcare. This lend support to the rising need for improving hospital infrastructure across the country.

Credit challenges

Modest, albeit growing scale of operations – PBPL's scale of operations remains modest with revenue of Rs. 107 crore in FY025 (as per provisional financials). Given the modest scale of operations, the net cash accruals have remained thin over the last three years. The company's ability to generate commensurate returns from turnkey projects will remain a key rating monitorable.

Moderate financial profile – The company's financial profile is moderate, characterised by a modest net worth of Rs. 19 crore as on March 31, 2025, resulting in high leverage with a gearing of 1.8 times and total outside liabilities vis-à-vis the tangible net worth (TOL/TNW) of 3.0 times. Further, the ratings factor in PBPL's large upcoming debt repayment and stretched liquidity position, marked by complete utilisation of fund-based and non-fund based bank limits.

Working capital intensive nature of operations – The company's working capital intensity, as reflected in the net working capital vis-à-vis the operating income (NWC/OI), remained high at 41% in FY2025, primarily due to elongated receivable cycle, with receivables of about 9% pending for over 180 days, as on March 31, 2025. However, ICRA notes that most of the elongated receivables are on account of lumpy nature of recovery. Going forward, timely recovery of receivables is critical from the credit perspective and will remain a key monitorable.

Liquidity position: Stretched

The company's liquidity position remained stretched on account of thin cash flows and high reliance on working capital limits to meet its funding requirements. The average utilisation of PBPL's fund-based and non-fund limits remained high at 94% over the last 13 months. The company has sizeable upcoming debt repayment of Rs. 15.8 crore in FY2027 and Rs. 10.7 crore in FY2028. The company's ability to timely secure enhancement in working capital limits remains critical.

Rating sensitivities

Positive factors – The ratings may be upgraded if there is a sizeable improvement in the company's scale of operations along with an improvement in profit margin, liquidity position and debt protection metrics on a sustained basis.

Negative factors – The ratings could witness a downward revision in case of an adverse impact on the revenue/profitability of the company, resulting in a deterioration in debt protection metrics. A further increase in working capital intensity of operations, putting pressure on the liquidity position, would also be a negative rating factor.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate credit Rating Methodology
Parent/Group support	NA
Consolidation/Standalone	Standalone

About the company

PBPL began its operations in 1998 as a pharmaceutical trading entity by Mr. Gulshan Bakhtiani. He is also the knowledge partner of a pharmacy store and a Director of pharmacy store chains. He was previously the Area Manager for Lupin Pharmaceuticals. In 2004, Mr. Bakhtiani converted Pinnacle into a private limited company and shifted its core area of operations to marketing and distribution of specific high-end technological health care consumables. Subsequently, in 2022, the company started providing healthcare infrastructure services to various Government hospitals across India.

PBPL's corporate office-cum-warehouse is in Mumbai. It also has other warehouses located in Bhiwandi, Pune, Ahmedabad and Chennai. Mr. Gulshan Bakhtiani and Dr. Anita Bakhtiani are the key management personnel of the company and have experience of around two decades in same line of business.

Key financial indicators

Standalone	FY2024	FY2025*
Operating income	50.9	107.9
PAT	2.9	5.8
OPBDIT/OI	8.3%	10.6%
PAT/OI	5.7%	5.4%
Total outside liabilities/Tangible net worth (times)	1.1	3.0
Total debt/OPBDIT (times)	1.5	3.1
Interest coverage (times)	5.7	3.5

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current ratings (FY2026)			Chronology of rating history for the past 3 years							
				FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Oct 10, 2025	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Non-Fund Based-Others	Short Term	5.00	**[ICRA]A4**	Apr-16-25	[ICRA]A4; ISSUER NOT COOPERATING	-	-	Feb-29-24	[ICRA]A4; ISSUER NOT COOPERATING	Dec-21-22	[ICRA]A4; ISSUER NOT COOPERATING
Fund Based-Cash Credit	Long Term	20.00	**[ICRA]B+ (Stable)**	Apr-16-25	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	-	Feb-29-24	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	Dec-21-22	[ICRA]B+ (Stable); ISSUER NOT COOPERATING

Complexity level of the rated instruments

Instrument	Complexity indicator
Short Term-Non-Fund Based-Others	Very Simple
Long Term-Fund Based-Cash Credit	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	**Non-Fund Based-Others**	-	-	-	5.00	[ICRA]A4
NA	**Fund Based-Cash Credit**	-	-	-	20.00	[ICRA]B+(Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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