

October 31, 2025

Meril Medical Innovations Private Limited: Ratings reaffirmed

Summary of rating action

Instrument [^]	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term- Fund Based- Term Loan	116.00	116.00	[ICRA]BBB+ (Stable); reaffirmed
Long Term / Short Term –Fund Based/Non-Fund Based –Working Capital Facilities**	80.00	80.00	[ICRA]BBB+ (Stable)/[ICRA]A2; reaffirmed
Total	196.00	196.00	

[^]Instrument details are provided in Annexure I; ^{**}Interchangeable limits between fund based and non-fund based

Rationale

Meril Medical Innovations Private Limited (MMIPL) is a wholly-owned subsidiary of Micro Life Sciences Private Limited (Micro; rated [ICRA]AA (Positive)/[ICRA]A1+). MMIPL was incorporated on November 4, 2022, and has commenced manufacturing of knee casting, needles and shafts (for heart valves) as well as coating of certain parts. The company is also developing new products across multiple therapies like urology, neurology and oncology segments (developing implants for these areas), which are expected to be launched in FY2026.

The ratings reaffirmation factors in MMIPL's strong parentage as a wholly-owned subsidiary of Micro, the holding company for the healthcare segment of the Bilakhia Group. Micro has an established market position and a diversified product portfolio in the medical devices industry. The ratings also consider the extensive experience of the promoters, the Bilakhia Group, in the industry. The promoters have supported its Group companies in the past. ICRA expects similar support from the promoter group, if needed, in case a need for the same arises. The company operates in an industry that is generally considered to be resistant to inflation and primarily consists of non-discretionary products. Over the longer term, higher lifestyle diseases, increased health awareness and improving affordability will benefit the company. In FY2025, the company has commenced manufacturing of critical components for heart valves and knee joint, reducing raw material costs and improving the operating margins of Group entities. Accordingly, MMIPL is expected to be a strategically important entity for the Group as planned backward integration for other critical components under the company is expected to reduce raw material costs, leading to improved margins for Group companies.

The ratings, however, remain constrained by the nascent stage of operations and the ongoing large debt-funded capex for MMIPL's manufacturing facility. The company has incurred a capex of around Rs. 70 crore in FY2025 and Rs. 73 crore in FY2024 and is expected to incur capex of Rs. 50-70 crore in FY2026, which is being funded through a mix of funding from Micro and term debt. The company's ability to complete the capex within the budgeted timeline and costs as well as ramp up the facility would remain a key monitorable from the credit perspective.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company will be able to ramp up its operations, supporting backward integration process for Group companies. Further, the outlook underlines ICRA's expectation that the entity will continue to benefit from its parent's established presence in the medical devices industry along with favourable demand outlook for medical devices.

Key rating drivers and their description

Credit strengths

Experienced and strong promoter group – MMIPL is a 100% subsidiary of Micro, which is held by Bilakhia Holdings Private Limited (BHPL), the holding company of the Bilakhia Group. The Group entered the healthcare sector in 2006. The promoter group infused funds into Micro in the past, through non-convertible preference shares and unsecured loans to support its

operational/debt servicing requirements, which were completely repaid in FY2023, following equity infusion from PE investors. ICRA expects similar support from the promoter group, if required. Going forward, extensive experience of the promoters and the management team will continue to support Micro’s operations.

Healthy long-term industry outlook – The company operates in an industry generally considered resistant to inflation, primarily comprising non-discretionary products. The demand for healthcare products and devices is expected to remain high due to rise in lifestyle diseases. Further, increased health awareness and improving affordability of treatments are expected to drive industry growth. In the domestic market, growing penetration of health insurance will also continue to support the industry. Additionally, export markets present a significant growth opportunity for both the company and the broader industry.

Low project funding risks – The project faces low funding risk as the planned capex of Rs. 50-70 crore in FY2026 will be funded through term debt and funding support from Micro. The repayment for the company’s term loans starts from FY2026. Also, ICRA expects Micro to extend financial support to the company, as and when needed.

Credit challenges

Nascent stage of operations – The company is currently in the nascent stage of operations. However, the track record of the parent company in timely completion of projects mitigates the risk to a certain extent.

Large debt-funded capex plans and project execution risks – The company is undertaking capex for a manufacturing facility to carry out various backward integration activities for Group companies. MMIPL is also expected to house manufacturing capacities for peripheral and neurovascular segments. It has incurred capex of around Rs. 70 crore in FY2025 and Rs. 73 crore in FY2024 and is expected to incur capex of Rs. 50-70 crore in FY2026, which is being funded by Micro and term debt. The company’s ability to complete the project in a timely manner within the budgeted costs and ramp up the manufacturing facility would remain a key monitorable.

Liquidity position: Adequate

The company had free cash and liquid investments of around Rs. 3.1 crore as of March 31, 2025. It is expected to incur capex of Rs. 50-70 crore in FY2025 through a mix of funding from Micro and term debt. The company has repayment obligations of Rs. 32.3 crore in FY2026 and Rs. 51 crore in FY2027. ICRA expects Micro to extend financial support to MMIPL, as and when needed.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings of the company if it is able to ramp up its operations significantly and completes the ongoing capex without any material time and cost overrun. An improvement in the credit profile of the parent, Micro, could also have a positive impact on the company’s ratings.

Negative factors – Pressure on MMIPL’s ratings could arise if there are significant delays in completing the capex, or if material cost overrun impacts the expected credit metrics. Ratings could also be downgraded if the credit profile of Micro weakens.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Micro Life Sciences Private Limited
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of MMIPL

About the company

The company is established to undertake various backward integration activities for group companies. The company was incorporated on November 4, 2022, and has commenced manufacturing of knee casting, needles and shafts (for heart valves) as well as coating of certain critical parts. The company is also developing new products across multiple therapies like urology, neurology and oncology segments (developing implants for these areas), which are expected to be launched in FY2026.

About the parent

Micro is the holding company for the healthcare segment (medical devices) of the Bilakhia Group. It is a subsidiary of Bilakhia Holdings Private Limited (BHPL), the ultimate holding company of the Group. As on March 31, 2025, BHPL owns a 85.95% stake in Micro. The company received PE investment in the form of equity and CCPS totalling to Rs. 1,900 crore in FY2023. Till FY2022, Micro acted only as the holding arm of BHPL's healthcare division. However, from FY2022, Micro at the standalone level has been involved in selling of orthopaedic surgery robots and distribution of MEPL products in the domestic market. Through its wholly owned, domestic subsidiaries, Micro is involved in design and development of medical products and devices. The company caters to segments like cardiovascular, orthopaedic, diagnostic and endo-surgery. Micro has overseas subsidiaries in more than 25 countries including Germany, Türkiye, the US, Russia, South Africa, Brazil, Bangladesh, Australia, China, and the UK etc. These entities are mainly involved in marketing the company's products in those geographies. Further, in H1 FY2026, the company received equity infusion of around Rs. 860 crore from ADIA. In FY2025, at a consolidated level, export sales contributed 61% to the company's revenue.

Key financial indicators (Audited)

Micro Consolidated	FY2024	FY2025
Operating income	3494.7	4902.9
PAT	332.8	729.4
OPBDIT/OI	20.6%	26.4%
PAT/OI	9.5%	14.9%
Total outside liabilities/Tangible net worth (times)	0.9	0.9
Total debt/OPBDIT (times)	2.5	2.0
Interest coverage (times)	6.5	6.7

Source: Company, ICRA Research; 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

Instrument	Type	Current year (FY2026)		Chronology of rating history for the past 3 years							
		Amount rated (Rs. crore)	Oct 31, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loan	Long Term	116.00	[ICRA]BBB+ (Stable)	-	-	Oct 25, 2024	[ICRA]BBB+ (Stable)	Sep 18, 2023	[ICRA]BBB+ (Stable)	-	-
				-	-	Sep 30, 2024	[ICRA]BBB+ (Stable)	-	-	-	-
Fund Based/ Non Fund Based	Short Term	-	-	-	-	Sep 30, 2024	[ICRA]A2	Sep 18, 2023	[ICRA]A2	-	-
Working Capital Facilities*	Long Term/ Short Term	80.00	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	Oct 25, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-

*Interchangeable limits between fund based and non fund based

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term- Fund Based- Term Loan	Simple
Long Term / Short Term –Fund Based/Non-Fund Based –Working Capital 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	Term Loan	FY2023	NA	FY2031	116.00	[ICRA]BBB+ (Stable)
NA	Working Capital Facilities**	NA	NA	NA	80.00	[ICRA]BBB+ (Stable)/[ICRA]A2

Source: Company; **Interchangeable limits between fund based and non fund based

[Please click here to view details of lender-wise facilities rated by ICRA](#)

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

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Kinjal Shah

+91 22 6114 3400

kinjal.shah@icraindia.com

Mythri Macherla

+91 22 6114 3435

mythri.macherla@icraindia.com

Aman Mundhada

+91 22 6114 3471

aman.mundhada@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



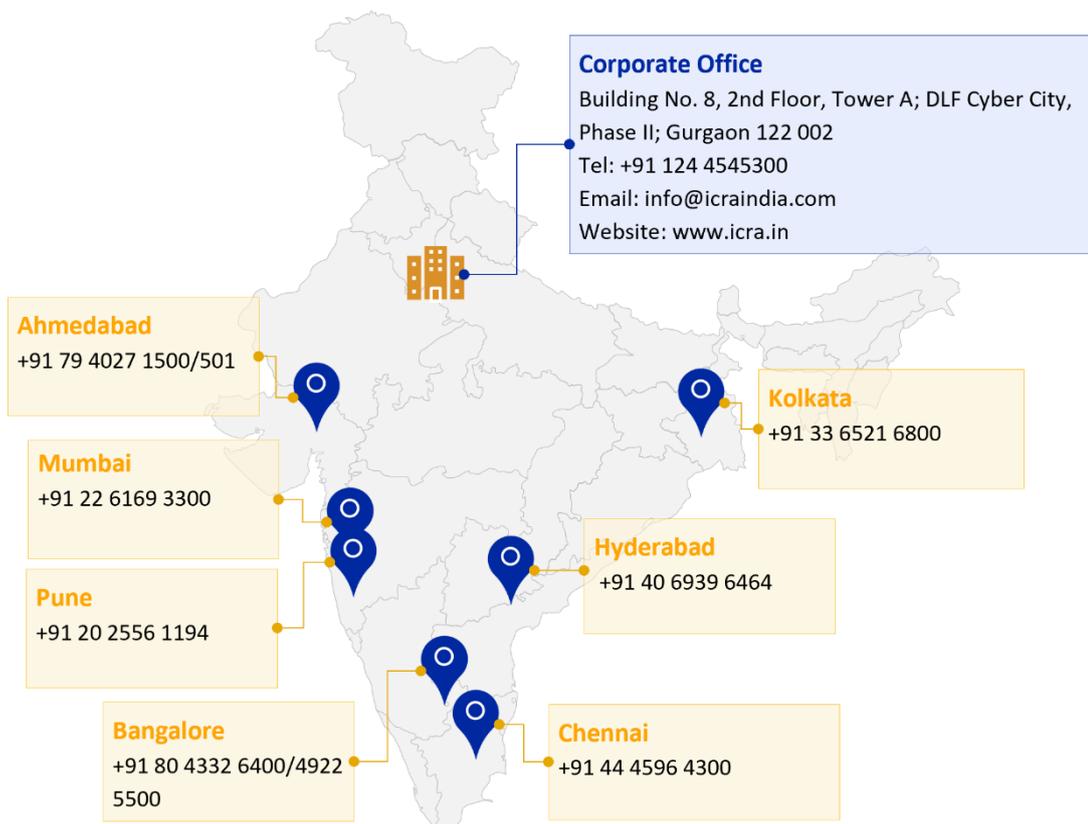
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.