December 31, 2025

Biorad Medisys Private Limited: reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund based- Cash Credit	92.50	160.0	[ICRA]BBB+ (Stable); reaffirmed and assigned for enhanced amount
Short-term non-fund based – Letter of Credit	6.00	21.0	[ICRA]A2; reaffirmed and assigned for enhanced amount
Long Term – Fund-based - Term Loan	43.92	29.2	[ICRA]BBB+ (Stable); reaffirmed
Total	**142.42**	**210.20**	

**Instrument details are provided in Annexure-I*

Rationale

The assigned ratings continue to consider the extensive experience of Biorad Medisys Private Limited's (Biorad/the company) promoters and the company's established track record and improving market position in the orthopaedic implants and surgical disposables segments of the medical equipment industry. The company has scaled up significantly over the last five years with a Compound Annual Growth Rate (CAGR) of 60% during FY2021-2025. This revenue growth has been supported by scale-up in volumes, expanding geographic reach, a robust distribution network in addition to the healthy underlying demand for medical devices in both domestic and export markets. Further, the company has demonstrated consistent improvement in its operating margins supported by new launches for margin-accretive products and focus on improving efficiency and backward integration of its manufacturing operations. While there was a moderation in margins in H1 FY2026, the same was a result of significant fixed costs incurred with the commencement of the new Bangalore plant in March 2025 and is expected to normalise in the full year. Further, increasing incidences of lifestyle diseases, growing health awareness and improving affordability are expected to support the company's business prospects over the long term.

Biorad reported a healthy revenue growth of 52.9% in FY2025, with consolidated revenues of Rs.546.6 crore in FY2025. The company's operating margins improved to 35.3% in FY2025 from 27.9% in FY2024 on the back of the factors mentioned above. The company reported a revenue of Rs.227.9 crore in H1 FY2026 with a YoY growth of 15%. The company also witnessed a moderation in OPM to 18.5% during H1 FY2026. This was largely on account of the nascent stages of operations of its new Bangalore plant which commenced operations in March 2025which entailed sizeable additional employee expenses without a commensurate increase in revenues in H1 FY2026. However, with incrementally better revenues in H2 FY2026 (in line with inherent seasonality in the business as demonstrated in the past), the company's margins are expected to be sequentially better in H2 FY2026. Overall, ICRA expects Biorad's FY2026 operating margins to be largely in line with FY2025 levels.

The rating also considers Biorad's high working capital intensity (NWC/OI of 65.8% in FY2025) and sizeable outflow towards capex and acquisitions in FY2026. Further, the company's exposure to regulatory risk inherent to the healthcare industry, coupled with stiff competition in the industry also constrain the rating to a certain extent.

The company raised Rs.350 crore in FY2025 from Kotak Strategic Situations India Fund II (Kotak) in the form of OCDs. Inflows from the same were used to fund the capital expenditure in FY2025 in addition to repaying existing NCDs and supporting the company's working capital requirements. Consequently, the company's debt metrics moderated with TD/OPBITDA increasing to 3.0 times as on March 31, 2025 from 2.6 times as on March 31, 2024. The company's interest coverage also moderated from 4.0 times as on March 31, 2024 to 2.6 times as on March 31, 2025. Subsequently, in H1 FY2026, the company converted the OCDs into NCDs while retaining the original terms. Due to the committed IRR embedded in the instruments, the company is expected to continue witnessing increase in debt levels.

The company's new plant in Bengaluru began operation in March 2025 and the company incurred a capex of around Rs.95 crore for the project. The company plans to set up another greenfield project in Shirwal which is expected to cater to the company's Orthovasive segment. The company has also made a total of four acquisitions and investments in the medical devices space in FY2025 and H1 FY2026 with a total consideration of around Rs.77 crore. The company has a track record of growing and diversifying through strategic acquisitions. Any significant debt-funded acquisition, thereby impacting the company's credit metrics, remains an event risk and would be evaluated on a case-by-case basis.

The Stable outlook on the long-term rating reflects ICRA's expectation that Biorad will continue expanding its scale of operations, while maintaining healthy operating margins. Any major debt addition plans and impact of the same on the company's credit profile will be a key rating monitorable.

Key rating drivers and their description

Credit strengths

Promoter's extensive experience improving market presence in the medical devices industry – Mr. Jitendra Hegde is a first-generation entrepreneur with an extensive experience of more than 28 years in the medical devices industry, which has helped the company establish healthy relationships with its dealers and hospitals, in turn supporting its business prospects. With strong volume growth and launch of new products, the company has continuously improved its market presence in both the Orthovasive and Indovasive segments over the past few years. At present, Biorad is estimated to have ~10% market share (which is the second highest for a domestic manufacturer) in the orthopaedic implants segment in the domestic market. While the company was manufacturing only surgical disposables (for the urology and gastroenterology segments) in the past, it has also launched surgical equipment (such as scopes, lasers and suction irrigation equipment etc.) with relatively higher realisations in the recent past.

Financial profile characterised by robust revenue growth and healthy margins – The company witnessed a strong revenue growth of 52.9% in FY2025 with revenues of Rs.546.6 crore, supported by healthy demand for its products in both the domestic and export markets. The company's operating margins improved to 35.3% in FY2025 from 27.9% in FY2024 on the back of higher operating leverage, focus on improving efficiency and backward integration of its manufacturing operations. Further, enhancement in product mix with focus on higher value-additive and higher realisation products, which are margin-accretive in nature has also helped support the OPM. While there was some moderation in the company's revenue growth and margins in H1 FY2026, subsequent pick-up in demand in H2 FY2026 is expected to support the company's strong revenue growth momentum and operating margins in FY2026, supported by healthy demand for its products, expansion of its product portfolio and increasing footprint in export markets.

Healthy long-term industry outlook – The company operates in an industry that is generally considered to be resistant to inflationary challenges and primarily consists of non-discretionary products. The demand for healthcare products and devices is expected to remain high due to the 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 support the industry. Additionally, export markets present a significant growth opportunity for both the company and the broader industry.

Credit challenges

High working capital intensity – Biorad's working capital intensity (NWC/OI) has remained high over the last few years, primarily owing to elevated inventory stocking requirements and moderately higher receivable days. The working capital increased significantly to 65.8% in FY2025 from 40.4% in FY2024 on account of significant sales for the company in Q4 FY2025 which led to inflated debtors. The WCI increased further to 84% in H1 FY2026 on account of high inventory holding as on September 30, 2025. However, the same is expected to normalise with full year impact of sales as the company captures majority of its revenues in H2 of any fiscal year. As the company operates in multiple segments of medical devices with a wide range of products, it needs to maintain multiple stock keeping units (SKUs) to meet customer requirements. The company's inventory holding stood at 150 days and 180 days respectively as of FY2025 and H1 FY2026 end. Going forward, while the working capital intensity is expected to remain elevated, it is expected to reduce from the levels witnessed as of H1 FY2026 end. The same will remain a key monitorable.

Sizeable Outflow towards acquisitions and capex expected to impact debt metrics to a certain extent in FY2026 – The company commenced operations at its new greenfield facility in Bangalore in March 2025. The same currently manufactures products under the company's Indovasive segment. The company is expected to incur a capex of around Rs.120 crore in FY2026 which will include partial capex for the Bangalore project as well. Furthermore, the company has planned to set-up a new plant in Shirwal which will cater to the company's Orthovasive segment. Construction for the Shirwal project is expected to begin FY2027. In addition to the organic capex, the company also undertook a total of 4 acquisitions and investments in FY2025 and H1 FY2026. The company has paid a cumulative consideration of Rs. 77 crore for the acquisitions in FY2025 and H1 FY2026. The company had availed OCDs amounting to Rs.350 crore in FY2025 towards funding the ongoing capital expenditure for the Bangalore project along with funding the acquisitions done in FY2025. The inflow from the OCDs was also used to prepay NCDs and CCDs from DMI Finance and to support the capex requirements of the company. Subsequently in H1 FY2026, the OCDs were converted into NCDs. The value of the NCDs has increased YoY on account of the instruments embedded IRR. Going forward, the company's debt metrics are expected to remain rangebound despite planned repayments due to the increase in valuation of Kotak NCDs. Going forward, timely ramp-up of operations at the Bangalore facility and the impact of the same on its credit metrics will be a key monitorable. Further, any significant debt-funded acquisition (which has not been factored in by ICRA) impacting the company's credit metrics adversely remains an event risk and would be evaluated on a case-to-case basis.

Exposure to regulatory risks – Like other industry players, Biorad is exposed to regulatory risks related to pricing restrictions, medical liabilities due to faulty products, approval timelines for new product developments, and various compliance norms. In the domestic market, the pricing of knee implants is regulated by the National Pharmaceutical Pricing Authority (NPPA). Inclusion of some of the company's products in the NPPA list reduces the company's pricing flexibility. Further, any future inclusion of key products under the NPPA list could adversely impact the company's profitability.

Stiff competition in the industry – The company is exposed to stiff competition from domestic and international players operating in the medical devices segment. Further, pricing pressure, if any, could impact the profitability as only knee implants are covered under NPPA, keeping other segments exposed to competition from various players.

Liquidity position: Adequate

The liquidity position of Biorad is adequate. The company has cash and liquid balances of Rs.39.1 crore as on September 30, 2025. The company has sanctioned working capital facilities of Rs.150 crore as of September 2025 with average utilization of 71% as against sanctioned limits for the period December 2024 to November 2025. Biorad is expected to incur a capex of around Rs.120 crore in FY2026 in addition to consideration of around Rs.65 crore towards acquisitions. The company has debt repayments of Rs.36.8 crore in FY2026 with further repayments of Rs.17.3 crore and Rs.13.8 crore in FY2027 and FY2028 respectively. The outflows planned for FY2026 are expected to be met through its accruals and redemption of its preference shares amounting to Rs. 110 crore in Shetty Orthopaedics.

Rating sensitivities

Positive factors – The rating could be upgraded in case of significant scale up in the revenues while maintaining its profitability and liquidity position and improving its debt metrics and working capital intensity.

Negative factors – The rating could witness a downward revision in case of any adverse impact on the revenue/ profitability of the company leading to deterioration in debt protection metrics. Further, any sizeable capex/acquisitions or an increase in the working capital intensity, adversely impacting the liquidity position or debt metrics of the company, can trigger a downward rating revision. Specific credit metric for downgrade includes DSCR remaining below 1.8 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#)
Parent/Group support	Not applicable
Consolidation/Standalone	Consolidated

About the company

Incorporated in 2000, Biorad is a medical devices company, which manufactures medical devices in orthopaedic, urology and gastroenterology segments. The company's major products include orthopaedic implants, which are used in knee and hip replacement surgeries and disposables used in surgeries. The company's manufacturing facilities are in Pune and Bangalore and the company also commenced operations at a new green-field facility for its Indovasive segment in Bangalore in March 2025. The company is also expanding capacity through a new facility in Shirwal, construction for which is expected to begin in FY2027.

Key financial indicators (audited)

BMPL – Consolidated	FY2024	FY2025	H1 FY2026*
Operating income	357.4	546.6	227.9
PAT	44.9	31.3	12.7
OPBDIT/OI	27.9%	35.3%	18.5%
PAT/OI	12.6%	5.7%	5.6%
Total outside liabilities/Tangible net worth (times)	2.7	4.4	5.3
Total debt/OPBDIT (times)	2.6	3	7.3
Interest coverage (times)	4	2.6	1.8

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore, *H1 FY2026 results are provisional financials*

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Crisil B/Stable (ISSUER NOT COOPERATING*; Revised from 'Crisil BB+/Stable ISSUER NOT COOPERATING*'); CRISIL A4 (ISSUER NOT COOPERATING*; Revised from 'Crisil A4+ ISSUER NOT COOPERATING')

Any other information: None

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs Crore)	December 31, 2025	Date	Rating	Date	Rating	Date	Rating
Fund based- Cash Credit	Long-term	160.0	**[ICRA]BBB+ (Stable)**	Oct 21, 2024	**[ICRA]BBB+ (Stable)**				
				Oct 16, 2024	**[ICRA]BBB+ (Stable)**				
Non-fund based - Letter of Credit	Short-term	21.0	**[ICRA]A2**	Oct 21, 2024	**[ICRA]A2**				
Fund-based - Term Loan	Long-term	29.2	**[ICRA]BBB+ (Stable)**	Oct 21, 2024	**[ICRA]BBB+ (Stable)**				

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term-Fund based- Cash Credit	Simple
Short-term non-fund based – Letter of Credit	Simple
Long Term – Fund-based - Term Loan	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	Cash Credit	NA	NA	NA	160.0	[ICRA]BBB+ (Stable)
NA	Letter of Credit	NA	NA	NA	21.0	[ICRA]A2
NA	Term Loan	FY2024	NA	FY2029	29.2	[ICRA]BBB+ (Stable)

Source: Company

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

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Indovasive Private Limited	99.99%	Full Consolidation
Orthovasive Private Limited	99.99%	Full Consolidation
Neurovasive Private Limited	99.99%	Full Consolidation
Ninjour Health International Limited	100.00%	Full Consolidation

Source: Company

ANALYST CONTACTS

Jitin Makkar
+91 124 4545 368
jitinm@icraindia.com

Kinjal Kirit Shah
022-61143442
kinjal.shah@icraindia.com

Mythri Macherla
022-61143426
mythri.macherla@icraindia.com

Tanvir Singh
022-61693354
tanvir.singh@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