

March 30, 2026

## CPC Diagnostics 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 – Cash Credit	35.50	35.50	[ICRA]BBB+ (Stable); Reaffirmed
Long-term – Fund-based – Term Loan	5.85	5.85	[ICRA]BBB+ (Stable); Reaffirmed
Short-term – Non-fund based – Sub-limit	(1.50)	(1.50)	[ICRA]A2; Reaffirmed
Long-term Fund-based – Overdraft	0.48	0.48	[ICRA]BBB+ (Stable); Reaffirmed
Long-term – Unallocated	0.15	0.15	[ICRA]BBB+ (Stable); Reaffirmed
<b>Total</b>	<b>41.98</b>	<b>41.98</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings consider the CPC Diagnostics Private Limited (CPC) company's long track record of over three decades in the clinical diagnostics instruments industry along with its diversified customer base and distribution channel across India. The ratings further factor in the favourable demand prospects for the reagents and medical instruments in the medium term, which augur well for CPC's growth prospects. The company is the sole supplier of reagents and medical instruments manufactured by Euroimmun GmbH (EG) and YHLO Biotech Co. Ltd. (YHLO) in India and has a healthy market share in the target segments. The company witnessed a healthy revenue growth at a CAGR of around 25% over the last four years ending in FY2025, driven by healthy demand and increasing base (placing instruments at client's location) of medical instrument installed base supporting growth in sales of reagents. Its revenue grew by 19.3% in 9M FY2026 (on annualised basis), supported by continued demand. ICRA expects the company to achieve revenue growth of 18-22% in FY2026 and FY2027, supported by increased deployment of instruments, which is expected to support reagent sales. Operating margins moderated to 14.7% in FY2025 from 16.2% in FY2024 due to higher fixed overheads. Margins are expected to be range-bound, going forward.

The ratings are constrained by the company's moderate scale of operations in the medical products and devices industry, which is characterised by intense competition. CPC derives most (50-60%) of its revenues from South India. However, it is concentrating more on North and West India to increase its customer base, which would diversify its geography base, going forward. The ratings further consider the high supplier concentration risk as its top vendor's (EG) products account for 60-65% of the company's revenue. The ratings also consider the working capital-intensive nature of the trading business. Nevertheless, its long-term, exclusive tie-ups and symbiotic relationships with manufacturers of reagents and medical instruments mitigate the risk to an extent. The company's operating margins remain vulnerable to foreign exchange (forex) fluctuation risk as the products are primarily imported and the company does not hedge its exposure.

The Stable outlook on the long-term rating reflects ICRA's opinion that CPC will witness a healthy scale-up of revenues and earnings on the back of healthy demand from its diversified customer base, while its debt metrics remain comfortable.

## Key rating drivers and their description

### Credit strengths

**Established presence in the medical instruments industry** – The promoters have experience of more than three decades in the industry. CPC was incorporated in 1987 for distributing reagents and medical instruments in India. CPC also manufactures reagents and certain medical instruments; though the share of the same in total revenue is modest.

**Healthy financial profile** – The company witnessed a healthy revenue growth at a CAGR of around 25% over the last four years ending in FY2025, driven by healthy demand and increasing base of medical instrument installed base supporting growth in sales of reagents. It clocked revenue of Rs. 245.6 crore in 9M FY2026 (annualised growth of 19.3%). ICRA expects the company to record revenue growth of 18–22% in FY2026 and FY2027, aided by healthy demand. The company's operating margin declined to 14.4% in 9M FY2026 from 16.2% in FY2024 due to higher fixed overheads. ICRA expects the operating margin to be range-bound at 14-16%, going forward. Improved earnings led to healthy net worth and stronger debt metrics. CPC has a comfortable capital structure with low debt levels (gearing of 0.5 times as on December 31, 2025) and healthy debt protection metrics, as reflected by an interest coverage of 10.4 times and Total Debt/OPBITDA of 1.2 times in 9M FY2026; debt metrics are expected to improve, going forward

**Diversified customer base with pan-India distribution network** – CPC has a diversified customer portfolio comprising hospitals and diagnostic centres. It supplies reagents and medical instruments to customers directly as well as through distribution channels. Its top 10 customers accounted for 29% and 28% of its total revenues in FY2025 and 9M FY2026, respectively, indicating a well-diversified customer base

### Credit challenges

**Medium revenue concentration in South India and moderate scale of operations** – The company's scale of operations is moderate, with revenues of Rs. 243.6 crore in 9M FY2026, despite healthy annualised growth of around 19% in the competitive medical instruments industry. Despite a strong double-digit revenue growth projected for the next two years, scale is expected to remain moderate. The South India market continues to generate most (50–60%) of the company's revenues, followed by the North and West (15–20%) and the East (10%), indicating a medium revenue concentration risk. However, ICRA notes that the company is in the process of diversifying its geographical presence.

**Exposed to high supplier concentration risk** – CPC is an exclusive supplier of reagents and medical instruments manufactured by EG and YHLO in India. A substantial share of revenue is derived from the sale of reagents. Sales of EG products (both reagents and medical instruments) accounted for 60-65% of total revenues in 9M FY2026, leading to high supplier concentration risk. ICRA notes that CPC's exclusive supplier agreement with EG expired in December 2025 and it is in the process of renewing the same for another five years. However, its business operations with EG have not been interrupted in the interim. This risk is partly mitigated by CPC's extensive track record of operations, strong technical expertise, wide marketing network, and training initiatives, which have fostered an interdependent relationship with its suppliers over the years.

**Vulnerability of profitability to forex fluctuations** – The company imports 75–80% of its products from Germany and China and does not hedge its foreign currency exposure. However, the price escalation clause (with respect to forex prices) in the agreement with its customers mitigates the exchange rate fluctuation risk to an extent.

## Liquidity position: Adequate

CPC's liquidity position is adequate, supported by free cash balances of around Rs. 18.4 crore and unutilised working capital lines of around Rs. 20–25 crore, as on December 31, 2025, and expected cash flow from operations of Rs. 25–30.0 crore. Its cumulative funding requirements for capex and debt repayments over the next 12 months are estimated at Rs. 24–26 crore, which are expected to be funded through internal accruals.

## Rating sensitivities

**Positive factors** – ICRA could upgrade the ratings if the company diversifies its revenue profile through expansion to new geographies and addition of new products, leading to a substantial improvement in the scale of operations, while maintaining its capital structure and liquidity position.

**Negative factors** – ICRA may downgrade the ratings if there is a sharp decline in the company's profitability on a sustained basis or a sharp elongation in the working capital cycle, impacting the cash flows or debt protection metrics. Specific credit metrics for a rating downgrade would be Total debt/OPBDITA of more than 2.3 times on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company's standalone financial profile.

## About the company

CPC Diagnostics Pvt. Ltd. is engaged in providing products and services to the clinical laboratory industry across India, Sri Lanka, and Bangladesh. The promoters have been operating in the diagnostics segment since 1987, reflecting long-standing industry experience. CPC sells reagents and instruments that are largely imported from Germany and China along with a portion of indigenously manufactured products, from its facility located in Porur, Chennai. It manufactures two medical instruments—Plexmat and Fluomat. The company offers a wide range of instruments and reagents catering to clinical chemistry, hematology, coagulation, and immunodiagnostics.

## Key financial indicators (audited)

CPC (consolidated)	FY2024	FY2025
Operating income	245.5	274.4
PAT	9.5	14.4
OPBDIT/OI	16.2%	14.7%
PAT/OI	3.9%	5.2%
Total outside liabilities/Tangible net worth (times)	0.6	0.8
Total debt/OPBDIT (times)	0.5	1.0
Interest coverage (times)	12.8	10.3

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

Current rating (FY2026)					Chronology of rating history for the past 3 years						
Instrument	Type	Amount Rated (Rs Crore)	Mar 30, 2026	Date	FY2026	FY2025		FY2024		FY2023	
					Rating	Date	Rating	Date	Rating	Date	Rating
overdraft-fund based	Long Term	0.48	[ICRA]BBB+ (Stable)	Apr 15, 2025	[ICRA]BBB+ (Stable)	Mar 28, 2025	[ICRA]BBB+ (Stable)	Mar 21, 2024	[ICRA]BBB+ (Stable)	Dec 26, 2022	[ICRA]BBB (Stable)
cash credit-fund based	Long Term	35.50	[ICRA]BBB+ (Stable)	Apr 15, 2025	[ICRA]BBB+ (Stable)	Mar 28, 2025	[ICRA]BBB+ (Stable)	Mar 21, 2024	[ICRA]BBB+ (Stable)	Dec 26, 2022	[ICRA]BBB (Stable)
Term loan-fund based	Long Term	5.85	[ICRA]BBB+ (Stable)	Apr 15, 2025	[ICRA]BBB+ (Stable)	Mar 28, 2025	[ICRA]BBB+ (Stable)	Mar 21, 2024	[ICRA]BBB+ (Stable)	Dec 26, 2022	[ICRA]BBB (Stable)
Others-interchangeable	Short Term	(1.50)	[ICRA]A2	Apr 15, 2025	[ICRA]A2	Mar 28, 2025	[ICRA]A2	Mar 21, 2024	[ICRA]A2	Dec 26, 2022	[ICRA]A3+
Unallocated	Long Term	0.15	[ICRA]BBB+ (Stable)	Apr 15, 2025	[ICRA]BBB+ (Stable)	-	-	-	-	-	-

### Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term Fund-based – Cash Credit	Simple
Long-term Fund-based – Term Loan	Simple
Non-fund based sublimit	Simple
Long-term Fund-based –Overdraft	Simple
Long-term - Unallocated	Not applicable

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	-	35.50	[ICRA]BBB+(Stable)
NA	Term Loan	April 2022	NA	October 2027	5.85	[ICRA]BBB+ (Stable)
NA	Non-fund-based facility – Sub-limit	-	NA	-	(1.50)	[ICRA]A2
NA	Overdraft	-	NA	-	0.48	[ICRA]BBB+ (Stable)
NA	Unallocated Limits				0.15	[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 – Not applicable**

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### Branches



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