June 30, 2026

Biological E. Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Term loans	$18.10 million	-	-
Long-term – Term loans	150.00	-	-
Long-term – Fund-based facilities	1,300.00	1,030.00	[ICRA]AA (Stable); reaffirmed
Short-term – Non-fund based facilities	130.00	130.00	[ICRA]A1+; reaffirmed
Long-term/ Short-term – Fund-based/ Non-fund-based facilities	755.00	800.00	[ICRA]AA (Stable)/ [ICRA]A1+; reaffirmed
Unallocated limits	$ 18.65 million Rs. 153.02 crore	340.00	[ICRA]AA (Stable); reaffirmed
Total	**$36.75 million Rs. 2,488.02 crore**	**2,300.00**	

**Instrument details are provided in Annexure II*

Rationale

The reaffirmation of the ratings for Biological E. Limited (BEL) factors in its well-established position as the fourth largest vaccines manufacturer with a volumetric share of around 7% of the global vaccines market in CY2024[1]. The company has strong development capabilities and a history of supplying vaccines to agencies like UNICEF[2], PAHO[3] and the Government of India (GoI). BEL is pre-qualified by WHO[4] for manufacturing vaccines like LPV, MR, nOPV2 and PCV[5]. The launch of new vaccines like PCV and nOPV2 over the last few years has reduced BEL's dependence on LPV, which used to generate more than 70% of its vaccine revenues prior to FY2020. With these new launches, BEL's top product contributed less than 30% to its vaccines revenues over FY2025 and 9M FY2026.

The ratings draw comfort from BEL's healthy financial profile, characterised by healthy revenues and operating profit margins (OPM) and an adequate liquidity position. After a 91% growth in revenues to Rs. 4,977.2 crore in FY2025, BEL is estimated to report revenues of around Rs. 5,000 crore in FY2026, driven by sustained demand in its vaccines and pharmaceuticals businesses. Moreover, the revenues are projected to grow moderately by around 3-5% in FY2027, aided by a healthy order book of around Rs. 4,400 crore in June 2026 and expectations of growth across both the vaccine and pharmaceutical business. While its OPM is estimated to moderate to around 38% in FY2026 (45.7% in FY2025) on account of a change in product mix, BEL is likely to generate healthy OPM of more than 30% over the medium term, supporting its earning profile and cash flow generation. Given the strong cash flow generation, BEL was able to repay/prepay most of its long-term debt in FY2026, with a minimal outstanding amount of just around Rs. 3 crore as on March 31, 2026. This has led to an improvement in its financial risk profile with an expected total debt/ OPBDITA of less than 0.5 times as on March 31, 2026 and a net cash surplus position of more than Rs. 1,000 crore.

[1] *Source: Global vaccine market report 2025, World Health Organisation*
[2] *United Nations Children's Fund*
[3] *Pan American Health Organisation*
[4] *World Health Organisation*
[5] *LPV: Liquid Pentavalent Vaccine; MR: Measles & Rubella; PCV: Pneumococcal Conjugate Caccine, nOPV2: Novel Oral Polio Vaccine Type 2*

The ratings, however, are constrained by BEL's high dependence on institutional segments, wherein revenues are contingent upon tender wins and there is limited pricing flexibility. Since the tenders floated by these organisations are sometimes cyclical in nature, the company is exposed to risks of volatility in its growth and profitability. BEL has a strong vaccine pipeline and is expected to invest around Rs. 1,500-1,900 crore towards new product development over the next 2-3 years. Adequate returns from these investments shall only be generated in case of successful development, approval and launches of the products, including in the regulated markets. ICRA takes note of the exceptional losses of more than Rs. 2,500 crore over the last four years pertaining to impairment/ write off/ provisioning of BEL's Covid-related inventory, which had limited avenues of sale and were partly offset by gains associated with termination of its supply agreements/ waivers of the advances received.

Moreover, a significant contribution from exports exposes the company to forex risks. Being a manufacturer of pharmaceutical products, BEL, like its peers, is susceptible to regulatory risks associated with the manufacturing of pharmaceutical products, including towards obtaining approvals from regulatory agencies.

The Stable outlook reflects ICRA's opinion that BEL will benefit from its established business position in the global vaccines market, healthy order book and strong product pipeline. This is expected to support healthy scale-up of operations and accruals generation over the medium term, supporting the company's credit profile.

Key rating drivers and their description

Credit strengths

Established player in global vaccines segment with strong development capabilities – BEL is among the top five vaccine manufacturers globally with a volumetric share of 7% in CY2024. While the revenue share is significantly lower on account of its presence in low and middle-income countries, the high volume share demonstrates its strong development capabilities. The company is also pre-qualified for supplying around 15 vaccines to WHO, which includes LPV, MR, TCV, PCV and nOPV2. This provides BEL with a significant competitive advantage in the global vaccine segment, creating entry barriers for new entrants.

Healthy order book, strong product pipeline and increasing diversification leading to reduction in product concentration risk – BEL has a strong order book of around Rs. 4,400 crore in June 2026, which includes orders from UNICEF, PAHO and GoI. The new product launches over the past few years supported revenue diversification with the contribution of LPV reducing to 25-30% in 9M FY2026 from more than 75% in FY2018. BEL's pipeline includes PCV-24, Inactivated Poliomyelitis Vaccine (IPV) and liquid hexavalent vaccine, among others. The successful and timely launch of these vaccines shall remain a key for BEL's long-term growth. Moreover, sustained efforts towards new product launches across its international and domestic formulations business are expected to support the growth of the pharmaceutical segment over the medium to long term.

Strong financial profile – BEL is estimated to register revenues of Rs. 4,900-5,000 crore in FY2026 with an OPM of around 38% leading to sustained earnings, which have been partly used for repaying/ prepaying its term debt in FY2026. Accordingly, its leverage and coverage indicators have remained healthy with an estimated total debt/OPBDITA of less than 0.5 times (0.2 times in FY2025) and interest cover of more than 20 times (13.7 times in FY2025) in FY2026. The liquidity position was comfortable with a net cash surplus of more than Rs. 1,000 crore as on March 31, 2026. ICRA expects BEL to sustain a robust revenues and earnings profile, which shall continue to support its strong financial profile over the near to medium term.

Credit challenges

High revenue dependence on tender-based institutional segment resulting in limited pricing flexibility – BEL's vaccine sales are largely generated by the institutional segment, including agencies like UNICEF, PAHO and GoI and thus the sales are largely driven by tenders. This exposes the company to risks of revenue fluctuations on account of tender losses and also restricts its pricing flexibility. Its revenues and profitability are also vulnerable to the risks of cyclicality in the tenders floated by these authorities, as evidenced by the reduction in its OPM in FY2026 relative to FY2025. However, the risks are partly mitigated by BEL's strong manufacturing capabilities and history of supplying vaccines to these agencies.

Significant product development expenses expected over the medium term – BEL has a strong pipeline of vaccines, including PCV-24 valent, which is being targeted for launch in the regulated markets. The development and approval of the pipeline shall require investments of more than Rs. 1,500-1,900 crore over the next 2-3 years. While BEL's internal accruals and existing liquidity shall be sufficient to fund a large part of these investments, successful development and launch of the products shall be critical for BEL to further grow its revenues and generate adequate returns from the investments.

Exposure to regulatory risks – Like its peers, BEL's operations and manufacturing facilities remain exposed to regulatory risks of non-compliance with the evolving standards of regulatory agencies like the US FDA, WHO GMP and CDSCO[6]. Moreover, any new product launches by the company are subject to regulatory approvals from similar regulatory agencies.

Liquidity position: Strong

The liquidity position of BEL is strong, supported by expectation of a steady cash flow generation, coupled with cash and liquid investments of more than Rs. 1,700 crore and unutilised bank lines of more than Rs. 1,400 crore as on March 31, 2026. It has no material debt repayment obligation. The company's internal accruals as well as existing liquidity are expected to be largely sufficient to fund its annual capex requirement of up to Rs. 550 crore in FY2027 and Rs. 350 crore in FY2028, besides product development expenses of around Rs. 1,500-1,900 crore over the next 2-3 years.

Rating sensitivities

Positive factors – The long-term rating can be upgraded if BEL demonstrates a sustained growth in revenues and healthy profitability, supported by a diversifying vaccines portfolio, while maintaining a strong liquidity and healthy credit metrics.

Negative factors – The ratings may be downgraded if the company's revenues and profitability weaken on a sustained basis, resulting in pressure on cash flows, and an increase in debt levels. Further, a rise in the company's working capital intensity of operations may lead to pressure on the ratings. Specific metric which could trigger a rating downgrade would include total debt/OPBDITA of more than 1.0 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Pharmaceutical
Parent/Group support	Not applicable
Consolidation/Standalone	ICRA has considered the consolidated financials of BEL. The list of its subsidiaries and step-down subsidiaries is mentioned in Annexure III.

About the company

Incorporated as Biological Products Private Limited in 1953, BEL is among the first private sector companies in India to manufacture biological products. The company was founded by the Late Dr. DVK Raju, along with Dr. GAN Raju. BEL is a privately-held company, with the promoters and their associate firms holding a 100% stake in the company.

The company derives revenues from two business segments — vaccines and pharmaceuticals (comprising formulations). Its vaccines drive most of its revenues from export markets, with supplies primarily to the institutional segment. Its pharma division, meanwhile, has mature yet strong brands in the domestic cough and cold, anti-coagulants, anti-venom, and gastro-intestinal segments. It has also forayed into regulated markets with a complex generic and injectables portfolio.

[6] *United States Food and Drug Administration, World Health Organisation – Good manufacturing practices and Central Drugs Standard Control Organisation*

Over its 70 years of operations, the company has gained several credentials, including being the first company in India to manufacture certain critical vaccines (such as anti-tuberculosis and Heparin), being the largest manufacturer of the TT[7] vaccine globally, a leader in snake anti-venom in India, and one of the leading LPV suppliers in the world.

Key financial indicators (audited)

BEL (consolidated)	FY2024	FY2025	FY2026 (Prov.)
Operating income	2606.0	4977.2	4,976.0
PAT	805.4	753.3	NA
OPBDIT/OI	31.0%	45.7%	38.4%
PAT/OI	30.9%	15.1%	NA
Total outside liabilities/Tangible net worth (times)	0.9	0.5	NA
Total debt/OPBDIT (times)	2.2	0.4	0.2
Interest coverage (times)	4.2	13.7	21.5

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	Current rating (FY2027)			Chronology of rating history for the past 3 years			
		Type	Amount Rated	June 30, 2026	Date & Rating in FY2026	Date & Rating in FY2025	Date & Rating in FY2024	
					April 09, 2025	-	Feb 20, 2024	Feb 12, 2024
1	**Term loans**	Long-term	-	-	[ICRA]AA (Stable)	-	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)
2	**Fund-based limits**	Long-term	Rs. 1,030.00 crore	[ICRA]AA (Stable)	[ICRA]AA (Stable)	-	[ICRA]AA- (Stable)	[ICRA]AA- (Stable)
3	**Non-fund based limits**	Short term	Rs. 130.00 crore	[ICRA]A1+	[ICRA]A1+	-	[ICRA]A1+	[ICRA]A1+
4	**Fund-based/ Non-fund based limits**	Long term/ short term	Rs. 800.00 crore	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	-	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]AA- (Stable)/ [ICRA]A1+
5	**Unallocated**	Long term/ short term	Rs. 340.00 crore	[ICRA]AA (Stable)/ [ICRA]A1+	[ICRA]AA (Stable)/ [ICRA]A1+	-	[ICRA]AA- (Stable)/ [ICRA]A1+	[ICRA]AA- (Stable)/ [ICRA]A1+

[7] *Tetanus Toxoid*

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) *Includes securitisation transactions involving assignee payout, acquirer's payout.*

($) *Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

(%) *These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side FSRs have been mentioned.*

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) *The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.*

(#) *Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.*

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term- Fund-based Facilities	Simple
Short-term- Non-fund Based Facilities	Simple
Long-term / Short-term – fund-based/ non-fund-based Facilities	Simple
Unallocated limits	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 II: Instrument details

ISIN No	Instrument Name	Date of Issuance	Coupon Rate	Maturity Date	Amount Rated	Current Rating and Outlook
NA	**Long-term - fund-based limits**	NA	NA	NA	Rs. 1,030.00 crore	[ICRA]AA (Stable)
NA	**Short-term - non-fund based limits**	NA	NA	NA	Rs. 130.00 crore	[ICRA]A1+
NA	**Long-term/ short-term – fund-based/ non-fund-based facilities**	NA	NA	NA	Rs. 800.00 crore	[ICRA]AA (Stable)/[ICRA]A1+
NA	**Unallocated limits**	NA	NA	NA	Rs. 340.00 crore	[ICRA]AA (Stable)/[ICRA]A1+

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
SUBSIDIARIES		
BE Vaccines PTE Limited	100.0%	Full Consolidation
BE Pharmaceuticals AG	100.0%	Full Consolidation
Biotech Medical Private Limited	100.0%	Full Consolidation
BE Investments & Finance Private Limited	100.0%	Full Consolidation
Vaxenic India Private Limited	100.0%	Full Consolidation
BE Pharmaceuticals Private Limited	100.0%	Full Consolidation
STEP-DOWN SUBSIDIARIES		
BE Pharmaceuticals Inc.	100.0%	Full Consolidation
BE Pharma BV	100.0%	Full Consolidation

Source: Company's annual report FY2025

ANALYST CONTACTS

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

Kinjal Shah
+91 022 6114 3442
kinjal.shah@icraindia.com

Deepak Jotwani
+91 124 4545 870
deepak.jotwani@icraindia.com

Gaurav Kushwaha
+91 40 6939 6405
gaurav.kushwaha@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

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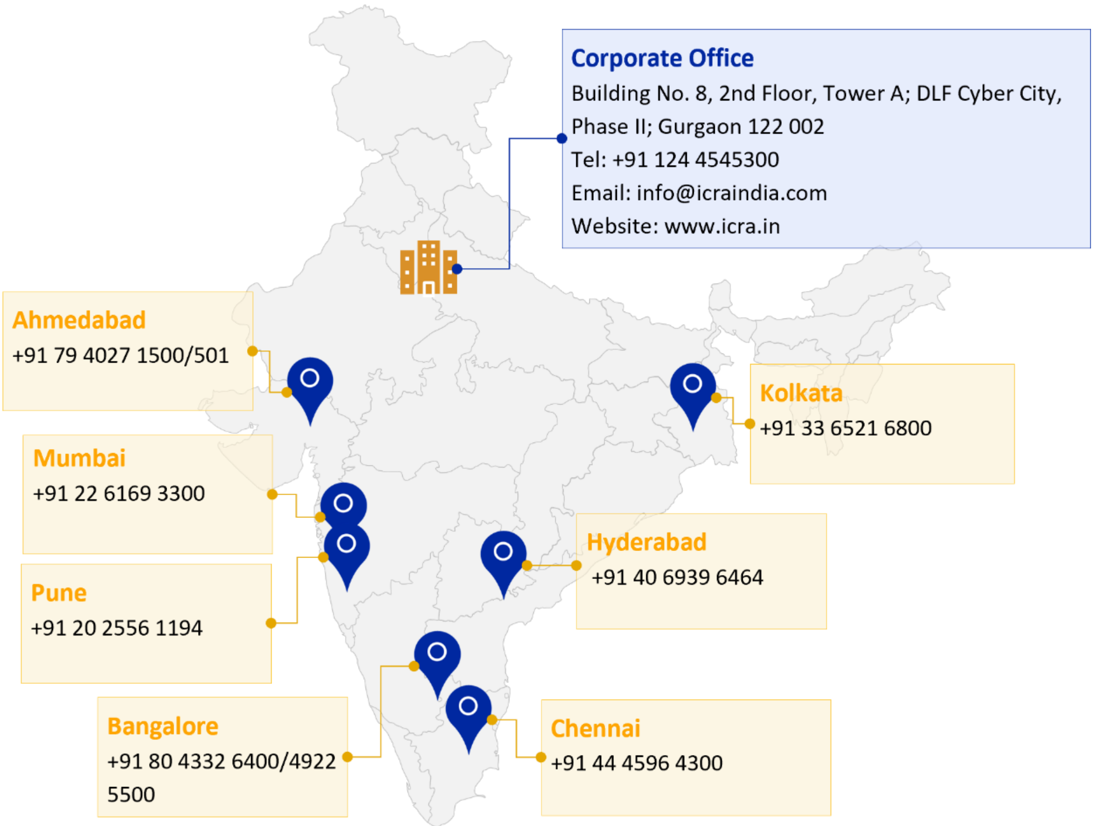
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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