



## Press Release

November 17, 2025

### VIVO BIO TECH LIMITED Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	39.29	ACUITE BBB-   Stable   Reaffirmed	-
Bank Loan Ratings	15.40	Not Applicable   Withdrawn	-
Bank Loan Ratings	2.00	-	ACUITE A3   Reaffirmed
Total Outstanding	41.29	-	-
Total Withdrawn	15.40	-	-

#### Rating Rationale

Acuite has reaffirmed the long-term rating of 'ACUITE BBB-' (read as ACUITE triple B Minus) and the short-term rating of 'ACUITE A3' (read as ACUITE A three) on the Rs. 41.29 Cr, bank facilities of Vivo Bio Tech Limited (VBTL). The outlook is revised from 'Negative' to 'Stable'.

Further, Acuite has withdrawn the rating on Rs.15.40 Cr. bank facilities of Vivo Bio Tech Limited (VBTL) without assigning any rating as it is a proposed long-term bank facility. The rating is being withdrawn on account of request received from the issuer. The withdrawal is in accordance with Acuite's policy on withdrawal of ratings as applicable to the respective facility/instrument.

#### Rationale for rating

The outlook revision takes into account increased focus on preclinical trials and testing as a scalable segment supported by setting up of a new large animal testing facility citing an expected improvement in the business operations and improvement in financial risk profile on account of issue of share warrants.

Furthermore, the rating reaffirmation considers the company's presence in niche industry from over three decades along with experienced promoters, reputed clientele across the pharmaceutical sector. However, the rating is constrained on account of intensive working capital operations owing to the nature of the business. Going ahead, the ability of the company to scale up the operations while maintaining the profitability levels will continue to remain a key rating monitorable.

#### About the Company

Incorporated in 1987, Vivo Bio Tech Limited (VBTL) is a full service preclinical contract research organisation (CRO) and specific pathogen free (SPF) laboratory animal breeder offering drug development & discovery services to pharmaceutical & biotech companies world-wide in accordance with OECD – GLP having applicability in OECD member countries and is accredited by AAALAC International. VBTL offers services in the areas of in-vitro, in-vivo, toxicity studies, pharmacological investigations, etc. The company is currently managed by Mr. M. Kalyan Ram, Mr. Alangudi Sankaranarayanan and Mr. Sri Kalyan Komplella.

#### Unsupported Rating

Not Applicable.

#### Analytical Approach

Acuite has considered standalone business and financial risk profile of VBTL to arrive at the rating.

#### Key Rating Drivers

##### Strengths

##### Established track record of operations and reputed clientele

Established in 1987; VBTL has over three decades of experience in the industry supported by qualified and experienced senior management. Over the years, it has established stable relationships with reputed clientele of around 450 entities serving the pharmaceutical & biotechnology firms, vaccine developers, contract research organizations, etc.

Acuite believes that the company will continue to derive benefit from its promoter's experience, established presence and scale the business operations in near to medium term.

##### Moderate financial risk profile

The tangible net-worth of VBTL stood at Rs.54.33 Cr. as on 31st March, 2025 against Rs.46.28 Cr. as on 31st March 2024. The improvement is on account of proceeds from issue of warrants to the extent of ~Rs.14 Cr. in FY25 towards setting up of a new large animal testing facility across 52 acres and profit accretions. The tangible net-worth is adjusted for capitalization of salaries and other cost paid to resources working on new products under intangible assets.

The total debt of VBTL reduced to Rs.51.80 Cr. in FY25 (Rs.70.84 Cr. in FY24) leading to below unity gearing at 0.95 times as on 31st March, 2025 (1.53 times as on 31st March, 2024). The debt protection metrics also improved and stood moderate marked by interest coverage ratio of 3.40 times and debt service coverage ratio of 1.49 times as on 31st March, 2025. Going ahead, with further receipt from pending issue of warrants (~Rs.22 Cr.) and no major debt funded capex; the net-worth is expected to improve during FY26.

### **Weaknesses**

#### **Modest scale of operations**

The total operating income of marginally improved from Rs.44.88 Cr. in FY24 but remained modest at Rs.46.67 Cr. in FY25. This improvement is mainly on account of better revenue generation from the preclinical testing segment driven by various orders of agrochemical testing, medical devices, etc., Going forward, the company aims to focus more on this segment rather than animal sale & feed which is expected to improve the revenues. The operating margin though reduced but continue to remain healthy at 44.66% in FY25 (47.36% in FY24). Furthermore, the PAT margin improved and stood at 16.22% in FY25 against 5.61% in FY24 on account of sale of an idle property.

#### **Intensive working capital operations**

The working capital operations of the company is intensive in nature marked by gross current assets (GCA) of 339 days in FY25 (392 days in FY24). The GCA remains high due to inventory holding which primarily includes animals held for breeding. The inventory days stood at 110 days in FY25 (136 days in FY24). The debtor's collection also remain high however, improved to 88 days in FY25 compared to 92 days in FY24. Further, the creditor days stood at 62 days in FY25 (101 days in FY24). VBTL's reliance on working capital limits is high as reflected by the bank limit utilisation for fund-based limits which stood at an average of 96.58% for the last 6 months ended September, 2025.

#### **Rating Sensitivities**

- Growth in scale of operations along with sustained profitability levels.
- Significant debt funded capex leading to deterioration in financial risk profile and liquidity position.
- Further elongation in working capital operations.

#### **Liquidity Position**

##### **Adequate**

The company has adequate liquidity marked by sufficient net cash accruals to its maturing debt obligations. The net cash accruals of the company stood at Rs.16.59 Cr. in FY25 against maturing debt obligation of Rs.8.60 Cr. during the same period. Going forward, the net cash accruals are expected to be in the range of Rs.15-18 Cr. through FY2026-27 against repayment obligations in the range of Rs.7-8 Cr. VBTL's reliance on working capital limits is high as reflected by the bank limit utilisation for fund-based limits which stood at an average of 96.58% for the last 6 months ended September, 2025. Further, the cash and bank balance stood at Rs.1.21 Cr. and the current ratio stood moderate at 1.46 times as on 31st March, 2025.

#### **Outlook: Stable**

#### **Other Factors affecting Rating**

None.

## Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	46.67	44.88
PAT	Rs. Cr.	7.57	2.52
PAT Margin	(%)	16.22	5.61
Total Debt/Tangible Net Worth	Times	0.95	1.53
PBDIT/Interest	Times	3.40	2.68

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable.

### Any other information

None.

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
20 Aug 2024	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	0.67	ACUITE BBB-   Negative (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB-   Negative (Reaffirmed)
	Secured Overdraft	Long Term	1.80	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	1.26	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	23.95	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	13.98	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	3.03	ACUITE BBB-   Negative (Reaffirmed)
22 Nov 2023	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	1.26	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	23.95	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	13.98	ACUITE BBB-   Negative (Reaffirmed)
	Secured Overdraft	Long Term	1.80	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	0.67	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	3.03	ACUITE BBB-   Negative (Reaffirmed)
11 Jul 2023	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	1.26	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	23.95	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	13.98	ACUITE BBB-   Negative (Reaffirmed)
	Secured Overdraft	Long Term	1.80	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	0.67	ACUITE BBB-   Negative (Reaffirmed)
	Term Loan	Long Term	3.03	ACUITE BBB-   Negative (Reaffirmed)
27 Apr 2022	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	10.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	7.31	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	25.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	0.16	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	2.21	ACUITE BBB-   Stable (Assigned)
	Cash Credit	Long Term	10.00	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.01	ACUITE BBB-   Stable (Assigned)

**Annexure - Details of instruments rated**

<b>Lender's Name</b>	<b>ISIN</b>	<b>Facilities</b>	<b>Date Of Issuance</b>	<b>Coupon Rate</b>	<b>Maturity Date</b>	<b>Quantum (Rs. Cr.)</b>	<b>Complexity Level</b>	<b>Rating</b>
Canara Bank	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A3   Reaffirmed
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB-   Stable   Reaffirmed   Negative to Stable
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.40	Simple	Not Applicable Withdrawn
South Indian Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.80	Simple	ACUITE BBB-   Stable   Reaffirmed   Negative to Stable
Canara Bank	Not avl. / Not appl.	Term Loan	01 Mar 2022	Not avl. / Not appl.	01 Aug 2029	18.75	Simple	ACUITE BBB-   Stable   Reaffirmed   Negative to Stable
Canara Bank	Not avl. / Not appl.	Term Loan	01 Oct 2020	Not avl. / Not appl.	01 Apr 2028	7.48	Simple	ACUITE BBB-   Stable   Reaffirmed   Negative to Stable
Canara Bank	Not avl. / Not appl.	Term Loan	01 Jan 2022	Not avl. / Not appl.	01 Dec 2026	1.26	Simple	ACUITE BBB-   Stable   Reaffirmed   Negative to Stable

## Contacts

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### About Acuité Ratings & Research

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