Vimta Labs Limited
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Driven by Quality. Inspired by Science.

VLL\SE\041\2026-27
Date: 02nd September 2026

BSE Limited, P J Towers, Dalal Street, Mumbai - 400001. Scrip Code : 524394	National Stock Exchange of India Limited, "Exchange Plaza", Bandra, Kurla Complex, Bandra (E), Mumbai – 400051. Trading Symbol: VIMTALABS

Dear Sir/Madam,

Sub: Disclosure on Credit Rating
Ref : Reg 30 - SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to the subject cited above, this is to inform you that CARE Ratings Limited ("Credit Rating Agency") has Reaffirmed the ratings to bank facilities of Vimta Labs Limited as under: -

Facilities	Amount (₹ Crore)	Rating	Rating Action
Long-Term / Short- Term Bank Facilities	34.00	CARE A; Stable / CARE A1	Reaffirmed
Long-Term Bank Facilities	25.50 (Reduced from 37.67)	CARE A; Stable	Reaffirmed
Short-Term Bank Facilities	1.78	CARE A1	Reaffirmed

Press Release dated 02nd September 2026, issued by the Credit Rating Agency is attached herewith.

This is for your information and necessary records.

Thanking you,

For VIMTA LABS LIMITED

SUJANI VASIREDDI
Digitally signed by SUJANI VASIREDDI
Date: 2026.09.02 18:51:36 +05'30'

VIMTA LABS LIMITED HYDERABAD-51

Sujani Vasireddi
Company Secretary & Compliance Officer

Vimta Labs Limited

September 02, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	34.00	CARE A; Stable / CARE A1	Reaffirmed
Long-term bank facilities	RBI	25.50 (Reduced from 37.67)	CARE A; Stable	Reaffirmed
Short-term bank facilities	RBI	1.78	CARE A1	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings for Vimta Labs Limited's (Vimta's) bank facilities continue to reflect the company's established position in the contract research and testing organisation (CRTO) industry, backed by a seasoned management team with over four decades of industry experience. Vimta benefits from a diversified service portfolio spanning pharmaceutical analytical testing and research, pre-clinical and clinical research, food and environmental testing, and electrical and electronic testing, supported by long-standing relationships with a broad client base.

The company reported an improved financial performance in FY26, driven by robust growth in its pharmaceutical research and testing business and improved operational efficiencies. Consequently, Vimta achieved a profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of 35.26% and a profit after taxation (PAT) margin of 18.86% during the year. Ratings are further supported by the company's healthy capital structure, strong debt protection metrics, negligible reliance on external borrowings, and comfortable liquidity position, evidenced by nil utilisation of working capital limits and cash and cash equivalents of ₹69 crore as on March 31, 2026.

However, these rating strengths are partly offset by Vimta's relatively moderate scale of operations and its exposure to regulatory and compliance requirements associated with Good Practice (GXP) standards, including Good Manufacturing Practice (GMP), Good Clinical Practice (GCP), and Good Laboratory Practice (GLP). Compliance with these standards necessitates periodic investments in technology upgrades and laboratory infrastructure. The company has undertaken significant investments in its Biologics segment, which remains in the development phase and is expected to commence meaningful revenue generation by FY27-end.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Substantial growth in turnover and maintenance of asset turnover above 1.0x on a sustained basis.
- Improved revenue visibility and increasing contribution from the biologics segment.

Negative factors

- Significantly declining total operating income (TOI) or PBILDT margins, falling below 20% on a sustained basis.
- Declining overall gearing above 0.35x or considerable weakening of liquidity profile.
- Unforeseen regulatory hurdles adversely affecting business operations.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that Vimta will benefit from its established industry presence, healthy profitability, and conservative capital structure, while completed lab expansion and ongoing biologics investments support future growth in scale.

[1] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

[2] Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Long track record of operation and experienced management in the business and high net worth base

The management is well experienced in the contract research industry, and the company has an established track record of over four decades. Vimta has an established market position, with a network of 10 laboratories spread across the country, including multiple branch laboratories for food testing. The company has expanded its electronic testing business unit to take advantage of the growing electrical and electronics industry. It has also forayed in biologics segment, which is expected to commercialise in FY27.

Established track record of operation in analytical, preclinical, and clinical research and testing domain with accredited labs

Vimta is into CRTO services with over four decades of established track record. It offers specialised services, such as pharma analytical, clinical research and pre-clinical (drug development and discovery services) at its two central laboratories at Hyderabad. It also provides services in food testing, environment testing, and electrical and electronic testing, diversifying its services portfolio. Vimta has been inspected by regulatory authorities, such as - United States Food and Drug Administration (USFDA), European Medicines Agency (EMA), World Health Organization (WHO), National Good Clinical Manufacturing Authority (NGCMA), Drugs Controller General of India (DCGI-India), and Drug Regulatory Agencies of several other countries.

Vimta is the first company in Asia to be pre-qualified by WHO in 2008. It is the only lab in India to be approved by the European Union (the EU) for Guar gum testing. Vimta operates the National Food Lab at Jawaharlal Nehru Port Authority (JNPA), Navi Mumbai for Food Safety and Standards Authority of India (FSSAI) under Public-Private Partnership mode (PPP) model, and its Hyderabad Lab has been notified by FSSAI as National Reference Laboratory. Over the years, Vimta has employed skilled man-power resources to ensure smooth functioning and successful completion of the projects undertaken.

Established relationship with reputed clientele and diversified customer base

Vimta has maintained a well-diversified customer base across key sectors, including pharmaceuticals, CRTO services, and food testing services. This broad industry presence not only supports revenue stability but also positions the company to benefit from growth opportunities in multiple verticals.

Steady growth with strong profit margin and satisfactory returns ratio

Vimta has diversified revenue streams, which protects from inevitable ebbs and flows in the industry. The steady growth in TOI is driven by increased demand in pharmaceutical CRTO services, and food testing services. The company improved operational efficiency through technology deployments and capacity expansion at its Hyderabad facility. Export revenues also grew steadily driven largely by increased demand for pharma-related services, such as preclinical studies, and cGMP analytical services.

The company's margin is also determined by complexity of projects it undertakes, with typically more complex project demanding higher margin, and vice versa. Similarly, the company’s margins are determined by volumes of business, higher volumes lead to better economies of scale. In FY26, profitability margins improved with PBILDT margins at 36%, while PAT margins at 19% backed by the strong growth in the pharma testing and research services and improved operational efficiency. The divestment of its low margin diagnostic business has allowed it to focus more on high-growth, high-margin divisions, while food testing services and electronics testing division remaining stable. Return on capital employed (ROCE) remained satisfactory at 25.16% in FY26. In Q1FY27, it reported total income of ₹112.88 crore with net profit of ₹21.04 crore.

Comfortable capital structure and debt coverage indicators

Vimta maintained a comfortable capital structure in FY26, with a low overall gearing ratio of 0.01x and a healthy tangible net worth of ₹451.95 crore as on March 31, 2026. Its debt included a term loan, primarily used to purchase modern testing and analytical equipment while working capital borrowings remained nil as on March 31, 2026. The company’s total outside liabilities (TOL) to net worth stood at a comfortable 0.23x.

The company has healthy cash flow, reducing its need for external borrowing led to comfortable debt coverage indicators, with an interest coverage ratio of 124.2x and a total debt to gross cash accrual ratio (TD/GCA) of 0.03x in FY26. Its capital structure is projected to stay comfortable from FY27–FY29.

Key weaknesses

Upgradation of facilities requires regular capex

Vimta has traditionally focused on pharmaceutical research and food testing. In recent years, the company has expanded its scope by entering into clinical trial services, this is in addition to electrical and electronics testing services offered by the company, and biologics contract research and development services (CRADS).

To maintain accuracy in its research and testing services, Vimta regularly upgrades or replaces its equipment. This is driven by factors, such as equipment obsolescence and advancements in technology. The company continues to invest in new equipment to support advanced studies that require higher precision. The large volume of studies involving smaller molecules also necessitates a greater number of instruments. As a result, regular capital expenditure is required to maintain operational standards, even though revenue levels have remained relatively stable.

Between FY21 and FY26, the company's gross asset base increased from ₹217 crore to ₹410 crore, marking an 89% rise. The major capex during this period is in form of lab area, which was increased by 200,000 sq. ft. in FY25 and FY26. Such capex is done around once in a decade. The equipment acquired just-in-time (JIT) based on requirements of contracts in hand.

Majority capex is done from internal accruals with less reliance on external borrowings depicting prudent financial planning. It is planning another ₹60 crore capex for FY27, including additional ₹10 crore for Biologics (CRADS) in FY27.

Moderate scale of operations

Vimta registered a compounded annual growth rate (CAGR) of 10.50% from FY22-FY26, yet it operated on a moderate scale with a TOI of ₹411 crore in FY26 compared to ₹345 crore in FY25. Fixed asset turnover ratio stands at 0.88x as on March 31, 2026.

Exposure to high regulatory risk

The Clinical Research Organization (CRO) industry faces significant reputation risks, particularly related to safety of subjects and reliability of testing outcomes. To address these concerns, the Ministry of Health and Family Welfare (Government of India) has implemented stringent regulations, including mandatory registration of ethics committees and systematic monitoring of clinical trials. Comprehensive compensation guidelines have been established to ensure fair treatment trial-related injuries or fatalities. Adverse health impact on participants not only threatens the CRO's credibility but can also trigger investigations and regulatory action, especially if procedural lapses are uncovered. In this regulatory landscape, Vimta has articulated its commitment to subject safety and the accuracy of testing and research outcomes. The company emphasises that its practices are designed to minimise reputation risk and uphold the highest standards in clinical research.

Increasing competition in Indian CRO industry

The Indian pharmaceutical CRO market is witnessing robust growth, supported by increasing outsourcing of drug development activities and the country's emergence as a preferred destination for clinical research. The market is projected to reach ~US$ 5.0 billion by 2033, growing at a CAGR of ~9.5%.

Growth is driven by rising research and development (R&D) costs, increasing patent expiries, and the need for cost optimisation, prompting pharmaceutical companies to outsource clinical, and pre-clinical activities. India's cost-effective healthcare ecosystem, skilled talent pool, and growing number of CROs are further strengthening its position as a global outsourcing hub.

Liquidity: Adequate

Vimta's liquidity remains strong marked by healthy cash accruals and 'nil' utilisation of its fund-based working capital limits for the trailing 12-months ended July 2026. The company's liquidity indicators marked by current ratio and quick ratio remained healthy at 3.48x and 3.03x, respectively, as on March 31, 2026. Vimta's liquidity remains adequate marked by healthy GCA of ~₹121.18 crore against a negligible repayment of ~₹1.77 crore in FY26 and expected repayments of ~₹7 crore for FY27. The company has free liquidity of ~₹65.66 crore in the form of bank fixed deposit. The company's operating cycle stood satisfactory at 119 days in FY26.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default]
[Liquidity Analysis of Non-financial sector entities]
[Rating Outlook and Rating Watch]
[Pharmaceuticals]
[Financial Ratios – Non financial Sector]
[Service Sector Companies]
[Short Term Instruments]

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals and biotechnology	Pharmaceuticals

Founded in 1984 and Hyderabad-based, Vimta is CRTO with a large laboratory space of ~600,000 sq. ft., equipped with modern equipment and infrastructure. Its testing and research services cover a wide range of sectors including pharmaceuticals, agrochemicals, food and agriculture products, medical devices, personal care items, electrical and electronics, and environment studies. Vimta operates across 10 locations in India, including labs and liaison centres. The company regularly upgrades its equipment to stay competitive and capture new opportunities in the research and testing space. With a workforce of ~1384 employees, including scientific and technical experts, Vimta's strong expertise and commitment to quality have been key to its success.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	344.79	411.04	112.88
PBILDT*	124.17	144.94	41.12
Profit after tax (PAT)	66.76	77.51	21.04
Overall gearing (x)	0.02	0.01	NA
Interest coverage (x)	65.35	124.20	178.78

A: Audited; UA: Unaudited; Note: These are latest available financial results, NA: Not available
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:
A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan	RBI	Simple	-		-	01-06-2030	25.50	CARE A; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	RBI	Simple	-		-	-	34.00	CARE A; Stable / CARE A1
Non-fund-based - ST-Loan Equivalent Risk	RBI	Simple	-		-	-	1.78	CARE A1

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 20262027	Date(s) and Rating(s) assigned in 20252026	Date(s) and Rating(s) assigned in 20242025	Date(s) and Rating(s) assigned in 20232024
1	Fund-based - LT-Term Loan	LT	25.50	CARE A; Stable	-	1)CARE A; Stable (06-Aug-25)	1)CARE A; Stable (29-Jul-24)	1)CARE A; Stable (22-Jan-24) 2)CARE A; Stable (11-Jul-23)
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	34.00	CARE A; Stable / CARE A1	-	1)CARE A; Stable / CARE A1 (06-Aug-25)	1)CARE A; Stable / CARE A1 (29-Jul-24)	1)CARE A; Stable / CARE A1 (22-Jan-24) 2)CARE A; Stable / CARE A1 (11-Jul-23)

3	Non-fund-based - ST-Loan Equivalent Risk	ST	1.78	CARE A1	-	1)CARE A1 (06-Aug-25)	1)CARE A1 (29-Jul-24)	1)CARE A1 (22-Jan-24) 2)CARE A1 (11-Jul-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated: Not applicable

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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