Natural Remedies Private Limited

October 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	140.00	CARE A+; Stable / CARE A1+	Upgraded from CARE A; Stable / CARE A1

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The revision in rating assigned to the bank facilities of Natural Remedies Private Limited (NRPL) factors in improvement in the financial risk profile marked by healthy growth in company's scale while sustaining profitability driven by consistent demand from Animal Health (AHP) and Herbal Health products (HHP). Natural Remedies Private Limited's (NRPL) revenue registered a growth of about 17% on a YoY basis in FY25, reaching ₹532 crore through introduction of new products, expansion into new geographies, improved revenue contribution from its subsidiary and deepening of distribution networks. Going forward, the company is targeting to increase its export revenue contribution to 50% from the present 39–40%, which is expected to provide further scale benefits and support operating margins.

The company has consistently maintained healthy EBITDA margins, which improved notably to 23.52% in FY25, aided by growth in top line resulting in better absorption of fixed costs, and consistent focus on value engineering. Margins are expected to improve further in the medium term, supported by higher export contribution and scale efficiencies.

The rating continues to positively factors in the company's long track record of operations and its professionally managed structure, with experienced professionals. The company's wide product portfolio across ruminant, monogastric, and human health segments provides diversification and stability, reflecting rising demand for herbal nutraceuticals. NRPL has a strong geographical presence, exporting to more than 50 countries. Export markets include Australia, USA, South Korea, Europe, and parts of Asia.

CARE Ratings Limited (CareEdge Ratings) also considers NRPL's strong liquidity, which is expected to stay and comfortable capital structure. The company had surplus cash and liquid investments of around ₹249 crore as of March 31, 2025, despite undertaking a buyback in October 2024 of Rs.117 crores (including tax). Overall gearing stood comfortable as on March 31, 2025, with no debt funded capex planned in the near to medium term. The company plans to invest ₹25–30 crore in FY27 to enhance its capacity which will be fully funded through internal accruals.

The rating strengths, however, are partially offset by the company's working-capital-intensive operations on account of seasonal availability of herbal raw materials, which requires bulk procurement during peak seasons. Margins remain exposed to raw material price fluctuations and foreign exchange volatility, though hedging policies and the ability to pass on costs in export markets provide partial mitigation.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in the scale of operations, with total operating income (TOI) of more than ₹1000 crore while maintaining return on capital employed (ROCE) above 20% and overall gearing less than 0.5x on a consolidated basis.

Negative factors

- Moderation in net debt/EBIDTA of more than 0.5x due to any large sized acquisition.
- Any unforeseen regulatory hurdles adversely affecting its operations.

Analytical approach: Consolidated

CARE Ratings has considered consolidated approach while arriving at the rating given its operational and financial linkages, common promoter, and similar line of business. Refer Annexure 6 for list of entities consolidated

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

Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited expectation that NRPL will continue to sustain its healthy business operations, supported by a broad product portfolio across animal health care (AHP) and human health care (HHP) segments, maintain company's robust liquidity position and continue to expand & derive the anticipated benefits from the stabilisation of operations in recently expanded capacity and planned expansion in Indore plant.

Detailed description of key rating drivers:

Key strengths

Long track record of operations and experienced management

The company is in the herbal veterinary business for over two and half decades. However, promoters are acquainted with the subject and technical expertise in the herbal segment since the 1950s. Ramlal Agarwal was a renowned expert in identifying and collecting herbs. In 1996, the existing R&D centre was transformed into a best-in-class facility with modern technology and latest lab instruments. In 1998, the organisation was rechristened as NRPL and transformed into a professionally managed organisation.

Diversified product portfolio

The company offers broad range of products in herbal AHP and HHP and standardised herbal extracts. Lion share of revenue is from AHP (80%) and 20% from standardised herbal extracts and HHP. The company offers over 107 products. AHP caters to animal categories such as cattle, poultry and aqua through nutritional supplements and therapeutic products. HHP offers nutritional supplements and is primarily export oriented. Typically, the company earns gross margin of 50% in AHPs and 65% in HHPs. Thus, the company's diverse presence across ruminant, monogastric and human health segments reduces concentration risk. The ruminant business is expected to contribute about ₹225 crore in FY26, the monogastric segment about ₹300 crore, while the human health division has expanded rapidly from ₹70 crore in FY24 to about ₹120 crore in FY26, supported by rising demand for nutraceuticals.

Wide geographical presence with large network of distributors

NRPL has established geographical presence across India. In India, NRPL has a strong distribution network of 17 carrying and forwarding agents, about 2,000 distributors and more than 300 sales staff, reaching over 45,000 retail outlets. AHP segment is predominantly domestic oriented, exports revenue is lower and HHP products are exported to over 50 countries. Around 60% revenue was from domestic sales and 40% revenue was from exports sales in FY25. The company also directly caters to around 700 B2B customers and stockiest. CFAs manage effective supply network in one or more states depending on geographical alignment of servicing customers. NRPL has central warehouse in Bangalore, stocks will be distributed from central warehouse to all CFAs. On the export front, the company supplies to more than 50 countries. The company has also 35-40 distributors in each country to facilitate export sales. NRPL supplies standardised herbal extracts to companies, who use these extracts to manufacture nutritional supplements and has international presence in Australia, USA, Malaysia and European countries. Owing to ongoing tariff by US, the share of revenue in overall turnover is expected to be limited to 10–15%. Other major markets include Australia, South Korea, Europe and Asia. Exports contributed 39–40% of revenues in FY25 and are expected to rise to 50% by FY26.

Strong technical expertise backed by a robust R&D facility

NRPL's R&D centre is well-equipped with latest instruments to ensure global standards of health and safety, improved efficacy, and increased productivity. The R&D facility is led by around 100 employees with domain expertise, quality function and has developed 107 products with over 15 registered patents. The company has an edge over its competitors due to the rich experience of promoters in identifying crude drugs using pharma-cognostic techniques and the isolation of markers for standardisation of herbal products.

Healthy financial and strong liquidity profile

NRPL's financial profile is healthy with consistent improvement in business performance and comfortable capital structure and healthy coverage indicators. Term debt for capex of ₹50 crore in the new subsidiary has been availed. However, gearing levels continue to be comfortable at 0.41x as on March 31, 2025. Comparatively, lower borrowing cost of 5-5.5% makes its feasible to rely on working capital borrowings against average yield of 6.5-7% on treasury funds. The bank borrowings interest cost constitutes only for 50% of finance cost, the rest is paid on the unsecured loans from directors, relatives, and intercorporate loans. The company's gross margins have been ~60-65% in the last five years. Due to reduced travelling, advertisement and other expenses in view of COVID, coupled with strong demand, PBDIT margin improved to 24.85% in FY21 (A) from earlier levels of 10-12%. Margins have now moderated and corrected in FY22 onwards post normalisation of COVID, however, remained higher than pre-COVID levels. Margins are sustainable over 23%% in medium-to-long term considering increase in export sales backed capacity addition in Indore plant and due to increase in demand for high margin HHP branded products. However, the focus on HHP is limited and there is considerable growth in AHP specially export of Poultry supplements, which may derive healthy margins. The company is also practising cost effective procurement of raw materials to maintain stable margins.

Gradual stabilisation of new herbal veterinary unit

The existing capacity of Natural Remedies is operating at near full capacity levels. This apart the company has arrangement with 20 plus CMOs, which has the flexibility to enhance its production capacity this provides flexibility for growth in revenue in NRPL. Also, the company had set up an additional unit under wholly owned subsidiary, Natural Living Private Limited. Trial runs of partial production started in June 2023 while full- fledged operations have commenced from March 2024. Revenue contribution from Indore Plant was around ₹40 crore of total turnover in FY25. Presently, Natural Living Pvt Ltd was initially established to handle direct exports. However, due to tax inefficiencies arising from GST exemptions on certain food supplement products sold domestically, the subsidiary has been repurposed into a contract manufacturing (CMO) unit for the parent company. Under this revised structure, the parent procures raw materials and supplies them to the subsidiary for processing like job work, and the finished goods are returned to the parent for export. Hence, the company's ability to ramp up capacity at its new plant and increase scale and margins remain a key monitorable.

Key weaknesses

Working capital-intensive operations due to seasonal availability of raw materials

NRPL's key raw materials are dry herbs procured in bulk in the peak season to limit raw material non-availability risk and to insulate its profit margins from raw material price escalation in the off-season. The need to hold high inventory results in working capital intensive operations but tactical procurement of herbs in peak season helps the company source quality raw materials at competitive prices. The company has taken several steps to mitigate this risk. Approximately 2,000 acres are under contract farming agreements with local farmers who produce key herbs such as Tusli, Bakoba, Aamla and Ashwagandha exclusively for the company. In addition to this, long-term supply contracts are in place with other suppliers. Imports from countries such as Georgia and Madagaskar further diversify sourcing and reduce dependence on any single geography. These measures cover roughly 30 to 40 percent of the company's requirements, thus help the company in mitigating the volatility in raw materials. Herbs procured in season are of higher quality compared to herbs cultivated in non-season, which has a significant impact on product quality.

Margins susceptible to raw material price variations and fluctuation in foreign exchange

Production of key raw materials – dry herbs is susceptible to risk of agro-climatic factors and prices are volatile, sharp fluctuations in raw material prices would impact the company's profitability. AHP segment caters to domestic customers, who are price sensitive and the flexibility to pass on fluctuations in price is limited. HHP segment is export oriented, NRPL has the flexibility to pass on price escalations in HHP segment. Exports constitutes for ~40% of the NRPL revenue and hence the company is exposed to foreign exchange fluctuation risk, hedging strategies adopted mitigates the risk to an extent.

Liquidity: Strong

The company's liquidity profile is aided by consistently improving cash profits and cash flow from operations. The average utilisation of working capital limits is comfortable at 62% for 12-months ending June 2025. NRPL had cash and cash equivalent including liquid investment of ~₹249 crore as on March 31, 2025. There has been a buyback to an extent of ₹117 crore including taxes in October 2024. Backed by growing demand and consumption of nutraceutical products, the company's scale of operations is likely to improve, which would translate to continuing strong liquidity availability but large acquisitions impacting its liquidity profile would be closely monitored. The company's current ratio stood satisfactory at 2.55x in FY25. Operating cycle stood at 118 days in FY25 (PY: 104 days FY24)

Applicable criteria

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

About the company and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

Natural Remedies Private Limited (NRPL) incorporated in 1998, is a manufacturer of standardised herbal extracts and herbal health nutritional supplements. NRPL has three manufacturing facilities- one in Bangalore and the other in Krishnagiri District, Tamilnadu and newly commenced facility in Indore, Madhya Pradesh. It started operations with herbal veterinary segment as partnership firm from 1960 and subsequently forayed into herbal human health care segment during the year 2000 primarily catering to international markets. Currently, about 80% of sales comes from AHP and about 20% from HHP. To cater to the increased demand for its products, company has installed another herbal veterinary unit in Indore, MP under wholly owned subsidiary viz. Natural Living Private Limited which commenced operations from June 2023.

The company has formulated 220+ phytocompounds and all the products are KOSHER certified, the production facilities are GMP, ISO 9001:2000 and ISO 22000:2005 certified. The in-house R&D centre is recognized by DSIR, accredited by AYUSH holds ISO/IEC 17025:2005 accreditation and is a government approved laboratory for testing of traditional medicines. The research team has secured 8 patents and has over 100 publications in national and international peer reviewed journals.

Particular	March 31, 2024 (A)*	March 31, 2025 (A)*
Total operating income	459.71	530.53
PBILDT	91.55	124.77
PAT	76.93	94.02
Overall gearing (times)	0.43	0.41
Interest coverage (times)	6.29	9.23

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'
*Financials have been re-classified as per CARE Ratings policy.

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-CC/Packing Credit		-	-	-	140.00	CARE A+; Stable / 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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT/ ST-CC/Packing Credit	LT/ST	140.00	CARE A+; Stable / CARE A1+	-	1)CARE A; Stable / CARE A1 (07-Oct-24)	1)CARE A; Stable / CARE A1 (22-Sep-23)	1)CARE A; Stable / CARE A1 (02-Sep-22)
2	Fund-based - LT-Term Loan	LT	-	-	-	-	-	1)Withdrawn (02-Sep-22)
3	Non-fund-based - ST-BG/LC	ST	-	-	-	-	1)Withdrawn (22-Sep-23)	1)CARE A1 (02-Sep-22)
4	Fund-based - LT/ ST-Forward Contract	LT/ST	-	-	-	-	1)Withdrawn (22-Sep-23)	1)CARE A; Stable / CARE A1 (02-Sep-22)

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

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

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-CC/Packing Credit	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Natural Living Private Limited	Full	100.00% Subsidiary
2	R.B. Associates Private Limited	Full	99.99% Subsidiary
3	Spot Electrotech Systems Private Limited	Full	100.00% Subsidiary

As on March 31, 2025

Note on complexity levels of rated instruments: CARE 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

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Karthik Raj K Director **CARE Ratings Limited** Phone: 080- 46625555 E-mail: karthik.raj@careedge.in Manohar S Annappanavar Associate Director **CARE Ratings Limited** Phone: +91-80-46625525 E-mail: manohar.annappanavar@careedge.in Ritik Agrawal Analyst **CARE Ratings Limited** E-mail: Ritik.agarwal@careedge.in

About us:
Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information, please visit www.careratings.com