Healers Lab
June 24, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	56.00	CARE BB+; Stable	Assigned
Short Term Bank Facilities	25.50	CARE A4+	Assigned

Details of instruments/facilities in Annexure-1.
The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers
The ratings assigned to the bank facilities of Healers Lab (hereinafter referred as HL) are constrained due to modest scale of operations and fluctuating profitability margins though improved in FY26 (Unaudited; FY refers to April 01 to March 31). Ratings also consider working capital-intensive nature of business with elongated receivables, driven by its exposure to government tenders and exposure to regulatory risk inherent in pharmaceutical industry. The ratings, however, derived comfort from moderate capital structure and debt service indicators along with extensive experience of the promoters with long track record of operations and diversified client base with low counterparty risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations above ₹225 crore and sustenance in operating margins
- Improvement in TOL/TNW below 2 times on sustained basis

Negative factors

- Any decline in scale of operations below ₹120 crores
- Any debt funded capex or withdrawal of funds from the capital account leading to deterioration in capital structure of the firm.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectation that the firm will be able to improve its operations and financial risk profile, backed by the extensive experience of the promoters.

Detailed description of key rating drivers:

Key weaknesses
Elongated operating cycle with major business from Government tenders
The operations of the firm are inherently working capital intensive primarily on account of high dependence on government tenders, which are characterized by extended payment cycles. The Operating cycle stood at 87 days as of March 31, 2026, compared to 79 days as of March 31, 2025, on account of stretched collection period of 138 days (PY:128 days), although the same was partially supported by the credit provided by suppliers, as creditor days stood at 107 days (PY:103 days). Most of the revenue is generated through government tenders, which takes around 150 days to make the payment, although the collection takes time, there is surety of payments receipt due to nature of customers as Government departments. Additionally, HL maintains inventory levels of around 1.5–2 months, reflected in inventory holding period of 56 days (PY: 54 days) in FY26, to ensure timely execution of orders and avoid penalties. However, such inventory practices further contribute to the overall working capital intensity.

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

Modest scale of operations with Moderate profitability

The firm scale remain modest in FY26, although it has demonstrated growth in topline at CAGR of ~18% in the last five years and has achieved TOI of ₹175.64 crore in FY26 (PY: ₹172.27 crore), on account of improvement in sale of tablets (Medicines) to existing customers as well as addition of new customers in the portfolio during the years. The scale is expected to improve in medium term on account of continued demand of pharma products in the market.

The profitability profile remains moderate and susceptible to volatility, inherent to the tender-driven nature of operations, where margins depend on bid pricing, competitive intensity, and order-specific conditions. The firm has reported PBILDT margins in the range of 6.60% to 9.71% during FY22–FY26. The firm witnessed improvement in profitability margins in FY26 as marked by PBILDT margin of 9.71% (PY: 7.83%), primarily supported by enhanced operational efficiencies, reduction in logistics costs, and lower penalties on delayed deliveries. The improvement was primarily driven by the management's decision to maintain higher inventory buffers, which enabled timely execution and minimization of stock-outs and expedited freight costs. The profitability metrics are expected to remain in similar level over the medium term subject to tender dynamics, cost controls, and execution efficiency.

Exposure to regulatory risk inherent in pharmaceutical industry

HL operates in the pharmaceutical industry, which is highly regulated, given its direct implications for public health. The firm is required to comply with stringent quality standards, environmental norms, and regulatory approvals.
Any non-compliance or adverse changes in government regulations, pricing policies, or import/export norms could have a material impact on operations. Therefore, HL's ability to regularly upgrade its manufacturing/operating practices and maintain regulatory approvals remains critical from a credit perspective.

Constitution as a partnership firm

Constitutions of Healers Lab as a partnership firm is associated with the inherent risk of withdrawal of the capital by the partners due to personal contingency and firm being dissolved upon the death/retirement/insolvency of partners. Moreover, partnership firms have restricted access to external borrowing as credit worthiness of promoters would be the key factors affecting credit decision for the lenders.

Key strengths

Established operational track record and diversified client relationships

HL benefits from the extensive experience of its promoters, led by Mr. Vipin Kishore Rastogi, along with support from Mr. Amit Kishore Rastogi and other partners, cumulatively having over two decades of experience in the pharmaceutical industry. The promoters' domain expertise has enabled the firm to establish strong procurement networks and long-standing relationships with customers, ensuring continuity of operations. HL caters to a reputed client base, primarily supplies to state government medical corporations, including Uttar Pradesh, Rajasthan, Kerala, and Odisha medical procurement bodies leading to assured payment realization, albeit with elongated timelines. While customer concentration remains moderate, with the top 10 clients accounting for approximately 66% of total revenue in FY25 (88% in FY24), the decline in concentration reflects a broader customer base and reduces counterparty concentration risks to an extent. The firm also exports to Philippines, Vietnam, Cambodia, and Uzbekistan etc., which formed ~11.70% of the TOI in FY26 (PY:11.20%).

Moderate capital structure with Modest debt coverage indicators

The firm's capital structure stood moderate, with an overall gearing ratio of 0.96x as of March 31, 2026, compared to 0.90x as of March 31, 2025, slight deterioration was primarily due to increased reliance on working capital borrowings to support its elongated receivables cycle. The total outside liabilities to tangible net worth (TOL/TNW) ratio stood at 2.27x as of March 31, 2026 (2.38x as of March 31, 2025). The firm's tangible net worth increased to ₹43.05 crore as on March 31, 2026 (₹36.78 crore as on March 31, 2025), supported by healthy internal accruals. Despite increase in operating profitability, total debt/PBILDT remained on a similar level at 2.42x in FY26 (PY:2.45x), while PBILDT interest coverage stood at 4.26x in FY26 (4.09x in FY25). Going forward, the financial risk profile is expected to improve based on absence of any debt funded capex and scheduled repayment of term loans.

Liquidity: Stretched

The liquidity position of the firm stood stretched, as marked by moderate working capital utilisation of its fund based and non-fund based working capital limits at ~90% over the past 12-month period ending April 2026 against the sanctioned limit of ₹50.50 crore and ₹25.50 crore respectively. The firm reported gross cash accruals of ₹9.24 crore during FY26 and is expected to generate GCA of ~₹11 crore in FY27 against scheduled repayment of ₹1.12 crore. Unencumbered cash and bank balance stood at ₹1.20 crore as on March 31, 2026. The firm has no medium-term debt funded capex plans.

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
Manufacturing Companies
Pharmaceuticals
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Healthcare	Healthcare	Pharmaceuticals & Biotechnology	Pharmaceuticals

Healers Lab (HL) was incorporated as proprietorship firm in 2002 by Mr. Vipin Kumar Rastogi and was later converted into a partnership firm in 2010. HL is primarily engaged in the manufacturing of pharmaceutical products under various segments, namely respiratory, cardiovascular, anti-diabetic, urology, gastroenterology among others. The products are in form of tablets, ointments, external oils and emulsions used for pain relief and are majorly sold to government entities where the orders are procured through tender system. The manufacturing unit is in Baddi, Himachal Pradesh.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	172.27	175.64
PBILDT*	13.49	17.05
Profit after tax (PAT)	5.68	7.80
Overall gearing (x)	0.90	0.96
Interest coverage (x)	4.09	4.26

A: Audited UA: Unaudited; Note: these are latest available financial results
*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

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	50.50	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	25.50	CARE A4+
Term Loan-Long Term		-	-	31-03-2027	5.50	CARE BB+; Stable

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 2026-2027	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
1	Term Loan-Long Term	LT	5.50	CARE BB+; Stable				
2	Fund-based - LT-Cash Credit	LT	50.50	CARE BB+; Stable				
3	Non-fund-based - ST-Bank Guarantee	ST	25.50	CARE A4+				

LT: Long term; ST: 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-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Term Loan-Long Term	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated: Not applicable

Annexure-7: List of Facilities/Instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (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 Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	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.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others, The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the press releases subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

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

[2] 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

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.

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