Hexagon Nutrition Limited

July 31, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	43.00	CARE A-; Stable / CARE A2+	Assigned
Long-term bank facilities	RBI	23.00	CARE A-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Hexagon Nutrition Limited (HNL) continue to derive strength from the company's established presence in the nutrition industry, diversified product portfolio across clinical nutrition, micronutrient premixes and therapeutic nutrition, experienced promoter and management team, and comfortable financial risk profile characterised by healthy profitability, low leverage, and strong debt coverage indicators.

Ratings also factor in the company's diversified customer and geographic profile, with balanced revenue contribution from domestic and export markets, and adequate liquidity supported by healthy cash and liquid investments.

However, ratings are constrained by HNL's moderate scale of operations, working capital intensive operations, its export business susceptible to geopolitical developments and changes in institutional procurement programmes, and exposure to fluctuations in raw material prices, and exchange rate fluctuations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained growth in scale of operations, while maintaining profit before interest, lease rentals, depreciation, and taxation (PBILDT)margin above 15%.
- Improvement in liquidity profile of the company marked by improvement in working capital cycle while maintaining sufficient cushion in its working capital limits.

Negative factors

- Decline in scale of operations or moderation in PBILDT margin below 12% on a sustained basis.
- Significant debt-funded capital expenditure or increased financial support to subsidiaries resulting in weakening of the capital structure, with overall gearing exceeding 0.75x or total debt (TD) /PBILDT exceeding 2.5x on a sustained basis.
- Material deterioration in Hexagon Nutrition (International) Private Limited's (HNIPL's) operational and financial performance, resulting in higher-than-expected financial support from HNL and consequent weakening of HNL's credit profile.

Analytical approach: Consolidation

CARE Ratings Limited (CareEdge Ratings) has taken a consolidated view of HNL and its domestic subsidiaries, namely HNIPL and India Hexagon Nutrition Healthcare Private Limited, and its foreign subsidiaries, namely India Hexagon Nutrition Proprietary Limited (South Africa), Hexagon Nutrition LLC (Uzbekistan), and Hexagon Nutrition China Limited (Hong Kong). The consolidated approach factors in HNL's significant ownership, common management, operational, and financial linkages, and entities operating in the same line of business. Entities considered for consolidation are listed under Annexure-5.

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectation that HNL will continue to benefit from its promoters' extensive experience, diversified product portfolio, balanced domestic and export revenue profile, and established customer relationships, which are expected to support steady business performance and sustain its comfortable financial risk profile in the medium term.

[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

Established presence in the nutrition industry supported by experienced promoters

HNL has an established presence of over three decades in the nutrition industry and is promoted by Arun Kelkar, who has extensive experience in the nutrition sector. The company is currently managed by the second generation of the promoter family, ensuring continuity in leadership and strategic direction while benefiting from the family's long-standing industry expertise. Over the years, the company has developed strong technical expertise in manufacturing specialised nutrition products and has built long-standing relationships with customers across its key business segments. The experienced management team has enabled the company to consistently expand its product offerings and strengthen its market presence. The company's established track record, industry experience, and promoter expertise continue to support its business risk profile.

Diversified customer base with balanced domestic and export revenue profile

The company manufactures a diversified range of clinical nutrition products, micronutrient premixes, therapeutic nutrition products, and fortified food solutions, catering to multiple end-user industries. HNL has established relationships with a diversified customer base across food and institutional segments, limiting dependence on single customer. Top 10 customers accounted for only 17.48% of the company's standalone sales in FY26. The company also derives revenues from domestic and international markets, with domestic sales contributing 51.7% and exports accounting for 48.3% of standalone revenues in FY26.
HNL has a diversified export footprint across North America, Latin America, the Middle East, Africa, and Asia, mitigating concentration risk and reducing reliance on single export market, supporting its overall business risk profile.

Improving profitability and comfortable financial risk profile

Supported by an improved product mix, operating leverage, and manufacturing efficiencies, the company's PBILDT margin improved to 15.57% in FY26 from 12.88% in FY25. Consequently, profit after taxation (PAT) increased to ₹37.94 crore in FY26 from ₹24.31 crore in FY25. The sustained improvement in scale and profitability continues to support the company's overall financial profile.
HNL's financial risk profile remained comfortable, characterised by a strong net worth, low leverage, and healthy debt coverage indicators. The company's tangible net worth improved to ₹232.73 crore as on March 31, 2026, from ₹194.09 crore a year earlier, supported by healthy internal accruals.
TD remained low at ₹32.70 crore as on March 31, 2026, resulting in a comfortable overall gearing of 0.14x. Debt protection metrics also remained strong, with PBILDT interest coverage of 15.14x and TD/PBILDT of 0.54x in FY26, reflecting strong debt servicing ability and financial flexibility.

Key weaknesses

Moderate scale of operations

Although the group has an established presence in the nutrition industry, its consolidated scale of operations remains moderate at ₹390.91 crore in FY26. The revenue growth over the years was supported by the growth in 'premix and fortification' and the 'branded segments'. The revenue from the 'therapeutic segment' majorly from HNIPL has remained stable, as it depends on largely institutional customers and tender-driven, with comparatively lower margins.
The company is also undertaking a capex over the next two years to expand its product portfolio and manufacturing capacities. Timely execution of the project and achieving envisaged benefits without materially impacting its financial risk profile will remain key monitorables.

Working capital intensive operations

HNL's operations remain working capital-intensive owing to inventory requirements; credit extended to customers and procurement of specialised raw materials. The consolidated gross current asset days stood elongated at 215 days in FY26, compared to 192 days in FY25, majorly due to longer collection periods for the ESG products supplied to international institutional customers. Hence, collection and inventory periods remained at 67 days and 89 days, respectively, as on March 31, 2026. The working capital-intensive operations continues to remain monitorable from the credit perspective.

Exposure to raw material price volatility, foreign exchange fluctuations, and regulatory risks

The company remains exposed to fluctuations in prices of vitamins, minerals, and other imported raw materials, which may impact operating margins, particularly when increases in input costs cannot be passed on to customers in a timely manner. HNL derives ~48% of its standalone revenues from exports, exposing its earnings to foreign exchange fluctuations and changes in global trade and demand conditions. The business is also subject to stringent regulatory requirements relating to food safety, product quality, and registrations across domestic and international markets. These factors continue to remain monitorable from a credit perspective.

Liquidity: Adequate

HNL's liquidity position remains adequate, supported by healthy gross cash accruals (GCA) of ₹47.46 crore in FY26, against scheduled debt repayment obligations of ₹4.25 crore. The company maintained cash and liquid investments (including mutual funds) aggregating ₹54.26 crore as on March 31, 2026, providing adequate liquidity cushion. Bank limit utilisation remained comfortable with average utilisation of ~30% for 12 months ended June 2026, while liquidity indicators also remained healthy, with a current ratio of 3.40x and a quick ratio of 2.22x as on March 31, 2026. The company remained net debt free, providing adequate financial flexibility to support its operational requirements and planned capital expenditure.

Assumptions/Covenants: Not applicable

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

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

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

, Incorporated in May 1993 and headquartered in Mumbai, Maharashtra, HNL is a research-driven nutrition company engaged in the development, manufacturing, and marketing of micronutrient premixes, clinical nutrition products, therapeutic nutrition products, and food fortification solutions. The company operates as an integrated nutrition player with in-house capabilities spanning research and development, formulation, manufacturing, quality assurance, and distribution.

Brief Financials (₹ crore) - Consolidated	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	327.06	390.91
PBILDT*	42.12	60.88
Profit after tax (PAT)	24.31	37.94
Overall gearing (x)	0.15	0.14
Interest coverage (x)	10.67	15.14

A: Audited; UA: Unaudited; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Brief Financials (₹ crore) - Standalone	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	157.64	328.06
PBILDT*	17.04	52.24
Profit after tax (PAT)	11.57	38.15
Overall gearing (x)	0.45	0.11
Interest coverage (x)	4.29	27.76

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

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	-		-	21-06-2030	23.00	CARE A-; Stable
Fund-based-LT/ST	RBI	Simple	-		-	-	43.00	CARE A-; Stable / CARE A2+

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	Fund-based - LT-Term Loan	LT	23.00	CARE A-; Stable				
2	Fund-based-LT/ST	LT/ST	43.00	CARE A-; Stable / CARE A2+				

LT: Long 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

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Hexagon Nutrition (International) Private Limited, India	Full	Subsidiary
2	Hexagon Nutrition Healthcare Private Limited, India	Full	Subsidiary
3	Hexagon Nutrition Proprietary Ltd., South Africa	Full	Subsidiary
4	Hexagon Nutrition LLC, Uzbekistan	Full	Subsidiary
5	Hexagon Nutrition China Ltd., Hong Kong	Full	Subsidiary

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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About us:

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