

January 30, 2026

Organic India Private Limited: Ratings upgraded to [ICRA]A+ (Stable)/[ICRA]A1

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based working capital /Cash Credit	126.00	126.00	[ICRA]A+ (Stable); Rating upgraded from [ICRA]A- (Stable)
Long-term – Fund-based -Term Loan	10.00	10.00	[ICRA]A+ (Stable); Rating upgraded from [ICRA]A- (Stable)
Short-term – Interchangeable	(77.00)	(77.00)	[ICRA]A1; Rating upgraded from [ICRA]A2+
Short-term – Non-fund based limit	6.00	6.00	[ICRA]A1; Rating upgraded from [ICRA]A2+
Total	142.00	142.00	

*Instrument details are provided in Annexure-I

Rationale

The ratings upgrade considers an improvement in the business risk profile of Organic India Private Limited (OIPL), as reflected by its rising revenues from the sales of packaged organic foods, beverages and herbal supplements, supported by synergies arising from the company's operational integration with its parent, Tata Consumer Products Limited (TCPL), after OIPL's acquisition by TCPL in April 2024. Integration with the extensive distribution network of TCPL, a leading company of the Tata Group having a strong foothold in the consumer food and beverages business in India and overseas, has expanded OIPL's retail reach significantly. This is likely to result in a healthy double-digit revenue growth in the near-to-medium term, positively impacting the company's profit margins due to economies of scale. The ratings continue to draw comfort from OIPL's strong parentage for being a wholly-owned subsidiary of TCPL (rated at [ICRA]AAA/Stable/[ICRA]A1+), OIPL's strategic importance and high reputation sensitivity to TCPL and strong managerial linkages between them. Products offered by OIPL complement TCPL's existing product portfolio and have been designated as a high-growth segment by TCPL. The parent, TCPL, is expected to continue providing support and allocate resources to facilitate OIPL's future growth and market expansion. This is reflected by sizeable unsecured loans (Rs. 70 crore as on March 31, 2025) received from one of TCPL's subsidiaries, Capital Foods Private Limited (CFPL), reducing the company's external working capital borrowing in FY2025. Moreover, association with the Tata Group renders strong financial flexibility to OIPL.

The ratings are also supported by the company's established presence in the organic food and beverages and herbal supplements product segments through its own brand both in the domestic and overseas markets, which has been strengthened further by the brand's positioning as a Tata Product after its acquisition by TCPL. Further, the ratings consider increasing consumer awareness for organic products and ayurvedic medicines due to their perceived health and wellness benefits. The ratings, however, remain constrained by OIPL's muted financial performance in the recent past. On a consolidated basis, it continued to post a net loss in FY2025 as the operating margin remained modest despite an improvement from the previous year because of a lag in integration of OIPL's sales channels with TCPL from the initially envisaged timeframe. Nevertheless, successful implementation of the sales channel integration subsequently, is translating into traction in revenue growth and margin expansion in the current fiscal. Reduction in external debt due to funding support received from CFPL, and an expected improvement in debt coverage metrics from a moderate level currently, aided by rising earnings, would strengthen OIPL's credit metrics. However, the company's US operations, which contribute around 40% to the consolidated revenue at present, are being impacted by the high US tariffs on Indian goods. The company has not faced any major revenue disruption due to the same so far, and it is passing on the increased tariff through calibrated pricing actions, which would partially offset the tariff impact in the near-to-medium term. Besides, OIPL's healthy gross margin (more than 50% in FY2025)

provides significant cushion to partially absorb the increased US tariff. However, the impact of the evolving geopolitical scenario, including the tariff-related developments, on OIPL's US operations, would remain monitorable. The ratings also consider inherent quality-related risks associated with the packaged food and herbal products, though the same is mitigated by OIPL's rigorous quality controls and compliance with relevant quality standards. Besides, the company remains exposed to increasing competition in the organic products industry. While its established brand lends advantage, selling and promotional expenses remain high to drive acceptance of organic products.

The Stable outlook on the long-term rating reflects ICRA's opinion that OIPL's strong business linkages with its parent, TCPL, will continue as OIPL has been identified as a strategically important business unit of TCPL from the future growth perspective. OIPL's revenues and earnings are likely to improve materially, going forward, aided by business synergies emanating from OIPL's acquisition by TCPL, supporting the entity's credit profile.

Key rating drivers and their description

Credit strengths

Strong parentage, operational and managerial synergies and strategic importance of the company to the parent

– OIPL is a wholly-owned subsidiary of TCPL, which has a strong brand positioning in the foods and beverages segment in India and overseas and is among the largest tea companies globally. OIPL's strong operational and managerial linkages with TCPL strengthen the company's credit profile. OIPL has been designated as a high-growth segment within TCPL, which was a key factor behind its acquisition by TCPL. The parent, TCPL, expects to leverage its distribution capabilities and retail network to push the acquired brand deeper in domestic and international markets, translating into healthy revenue growth. OIPL's strategic importance to TCPL and expectations of continued operational and managerial synergies between the two entities ensure stability and access to the parent's resources for OIPL's future growth. The parent is expected to provide timely financial support to OIPL, in case of any need, as already demonstrated by infusion of unsecured loans worth Rs. 70 crore by CFPL (subsidiary of TCPL) in FY2025. Moreover, association with TCPL renders strong financial flexibility to the company.

Established market position through Organic India brand and access to TCPL's large distribution network

– OIPL holds a prominent position in the packaged organic food products segment, offering a diverse product range that includes jaggery, ghee, oils, rock salt, stevia, honey, dehydrated fruits, etc. along with tea/herbal infusions, ayurvedic medicines, and psyllium husk. The company sells the entire range of products under its own brand, Organic India, in the domestic and overseas markets. OIPL currently derives around 50% of its consolidated revenue from the domestic market, while around 40% comes from the US. The rest of the revenues comes from diversified places across the world including West Asia, Australia, the UK and other European and North American countries. The key personnel have extensive experience in this line of business and OIPL has an established track record in retail and food product business. After TCPL's acquisition, the brand Organic India has been tagged as a Tata product, strengthening the brand's positioning further. In addition, integration with TCPL's extensive distribution network has expanded OIPL's retail reach. TCPL has a diversified presence with wide established distribution network, which would keep on providing operational support to OIPL to sell its organic products and expand its presence within and outside India. OIPL's presence in the e-commerce segment has also increased significantly after the acquisition, providing tailwind to its market share growth.

Favourable demand outlook for organic food and herbal supplement products

– Globally, the market for organic food has been experiencing strong growth. Increase in health and quality awareness is driving the demand for organic food. Strong economic growth, urbanisation and rising income levels are expected to increase consumer expenditure on health and wellness products in the long term.

Credit challenges

Moderate financial risk profile, though expected to improve, going forward – In FY2025, OIPL's consolidated operating income grew by 14.6% to Rs. 381 crore and the operating margin improved to 6.6% from 5.2% in FY2024, however, the same

remained modest and the company posted losses at the net level in FY2025 as well. Acquisition-related exceptional expense of around Rs. 5 crore also dented the net profitability. The lag in integration of OIPL's distribution network with TCPL after the acquisition, vis-a-vis the initial plan, restricted revenue growth and margin expansion in FY2025 compared to the earlier expectations. However, the sales channel integration has been implemented successfully thereafter. Expansion of distribution network, focus on promotion and a spurt in e-commerce sales have translated into a healthy revenue growth so far in the current fiscal, which is likely to continue in the full year of FY2026. OIPL has a healthy gross margin (more than 50% in FY2025). The cost synergies arising from integration of the distribution function with TCPL and benefits of economies of scale due to healthy revenue growth are strengthening the company's cost structure. This along with a gross margin expansion in the domestic market due to price hike would positively impact OIPL's profitability, despite some margin pressure witnessed in the US operation on account of increased tariffs on Indian goods. OIPL's capital structure remains conservative with a gearing of 0.8 times and a TOL/TNW ratio of 1.5 times as on March 31, 2025. However, the debt coverage metrics remained moderate in FY2025 due to muted profitability despite some improvement from the previous year, as reflected by the interest coverage of 2.6 times (1.3 times in FY2024), total debt relative to OPBDITA of 4.4 times (8.3 times in FY2024) and net cash accrual relative to the total debt of 13% (11% in FY2024). Expected improvement in earnings is likely to strengthen the debt coverage metrics from a moderate level at present.

Exposed to quality-related risks – OIPL, which primarily operates in the organic packaged foods, tea and herbal supplements segments, is exposed to inherent quality-related risks, as any lapse could affect consumer confidence and trigger regulatory action, potentially disrupting business. The quality norms are stricter for organic products. However, the company ensures its products are certified by relevant authorities for both domestic and international markets and enforces rigorous quality controls for raw material procurement and processing to mitigate quality related risks. The company's manufacturing facility has approvals from authorities such as Good Manufacturing Practices (GMP), United States Department of Agriculture (USDA), Hazard Analysis & Critical Control Points (HACCP), Indian National Programme for Organic Production (NPOP) governed by Agricultural and Processed Food Products Export Development Authority (APEDA), EU Organic certification, OU Kosher certification, ISO 9001:2008 certification, etc.

Increasing competition in organic products – The company is exposed to increasing competition from other players in the organic products industry because of the entry of numerous small players along with a few reputed big brands in the segment. However, OIPL has a strong market position in products like organic ghee, organic tea and herbal infusions. The company's acquisition by TCPL is likely to strengthen its competitive position further.

Liquidity position: Adequate

OIPL's liquidity position is adequate. Its cash flow from operations improved to more than Rs. 30 crore in FY2025 from a negative level in FY2024, supported by a moderate margin expansion and reduction in working capital intensity with receipt of dues of around Rs. 46 crore from the erstwhile promoter, Fabindia Limited. In the current fiscal, the company's working capital requirement is likely to increase to support the expected revenue growth, which is likely to keep the cash flow from operation at a lower level than FY2025, despite an expected improvement in the operating profits. The company has debt repayment obligations of around Rs. 3 crore annually till FY2027 (excluding lease liabilities) and has no major capex plans in the near-to-medium term. It has received sizeable unsecured loans (Rs. 70 crore outstanding as on March 31, 2025) from CFPL (TCPL's subsidiary), which further strengthens its liquidity position, as evident from the low utilisation of working capital limits in recent months. The company also had free cash and liquid investment of around Rs. 21 crore as of December 2025, reflecting its adequate liquidity. ICRA also notes OIPL's strong parentage and the parent Group's commitment to timely support OIPL in case of any funding requirement, strengthening its financial flexibility.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if OIPL is able to demonstrate a substantial ramping up of revenues along with improvement in profit margins on a sustained basis, strengthening the debt coverage metrics and liquidity.

Negative factors – The ratings may be downgraded if the company’s revenue growth and earnings are impacted significantly due to demand slowdown, adverse tariff movements or other factors, negatively impacting its credit profile on a sustained basis. Material weakening of OIPL’s linkages with its parent, TCPL, or a significant deterioration in the credit profile of the parent entity may also result in ratings downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology FMCG Pharmaceuticals
Parent/Group support	Parent: Tata Consumer Products Limited (TCPL; rated [ICRA]AAA (Stable)/[ICRA]A1+) The ratings assigned to OIPL factor in the implicit support from its parent, TCPL, given OIPL’s strategic importance to TCPL, operational and managerial synergies between them, TCPL’s reputation sensitivity to its wholly-owned subsidiary, OIPL, and demonstrated funding support from the parent Group
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of OIPL along with its subsidiary as mentioned in Annexure II

About the company

OIPL is involved in manufacturing and sales of branded organic packaged food and beverages and herbal supplements. It has a manufacturing facility in Barabanki, Uttar Pradesh and a raw material processing facility in Rath, in the Bundelkhand region of Uttar Pradesh. Organic India is India’s one of oldest certified organic farming companies, having a wide network of farmers in Uttar Pradesh, Rajasthan and Madhya Pradesh. The company’s major product categories include organic food products like jaggery, ghee, oils, rock salt, stevia, honey, pulses, dried fruits, etc., organic tea along with herbal infusions, herbal supplements/ pharma products. The company has presence in more than 40 countries. However, OIPL derives around 50% and 40% of its revenues from India and the US, respectively, while around 10% of its revenues come from other countries. OIPL sells its products mainly under its own brand, i.e. Organic India.

OIPL was founded by Mr. Yoav Lev and Mrs. Holly B Lev in 1997. Till March 2024, Fabindia Limited had around 64% equity stake in OIPL. In April 2024, TCPL acquired a 99.99% equity stake in OIPL and subsequently attained 100% ownership of the company in December 2024 by acquiring the residual minority stake. OIPL has a wholly-owned subsidiary in the US, named Organic India USA LLC, which is involved in marketing and selling OIPL’s products in the US.

Key financial indicators (audited)

OIPL Consolidated	FY2024	FY2025
Operating income	332.8	381.3
PAT	-4.5	-2.3
OPBDIT/OI	5.2%	6.6%
PAT/OI	-1.3%	-0.6%
Total outside liabilities/Tangible net worth (times)	1.5	1.5
Total debt/OPBDITA (times)	8.3	4.4
Interest coverage (times)	1.3	2.6

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years				
	Type	Amount rated (Rs. crore)	30-Jan-26	Date & rating in FY2024				
				Date & rating in FY2025	3-Oct-24	18-Mar-24	07-Dec-23	8-Jun-23
1 Fund-based working capital/ Cash Credit	Long Term	126.00	[ICRA]A+ (Stable)	[ICRA]A- (Stable)	[ICRA]BBB+ Rating Watch with Positive Implications	-	-	-
2 Term Loan	Long Term	10.00	[ICRA]A+ (Stable)	[ICRA]A- (Stable)	[ICRA]BBB+ Rating Watch with Positive Implications	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING	[ICRA]A+ (Stable)
3 Cash Credit	Long-Term/ Short-Term	-	-	-	[ICRA]A4; Withdrawn	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING / [ICRA]A4 ISSUER NOT COOPERATING	[ICRA]BBB+ (Stable) ISSUER NOT COOPERATING / [ICRA]A2 ISSUER NOT COOPERATING	[ICRA]A+ (Stable)/ [ICRA]A1
4 Interchangeable	Short-Term	(77.00)	[ICRA]A1	[ICRA]A2+	-	-	-	-
5 Non Fund-based Limits	Short-Term	6.00	[ICRA]A1	[ICRA]A2+	-	-	-	-
6 Unallocated	Long term/ short term	-	-	-	-	-	-	[ICRA]A+ (Stable)/ [ICRA]A1

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term – Fund-based working capital/ Cash Credit	Simple
Long Term – Fund- based – Term Loan	Simple
Short-term – Interchangeable	Simple
Short-term – Non-fund based limits	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long Term – Fund-based working capital/ Cash Credit	NA	NA	NA	126.00	[ICRA]A+ (Stable)
NA	Long Term – Fund- based – Term Loan	July 2022	5.35%	July 2027	10.00	[ICRA]A+ (Stable)
NA	Short-term – Interchangeable	NA	NA	NA	(77.00)	[ICRA]A1
NA	Short-term – Non-fund based limits	NA	NA	NA	6.00	[ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Company Name	OIPL's Ownership	Consolidation Approach
Organic India USA LLC	100.00%	Full Consolidation

Source: Company

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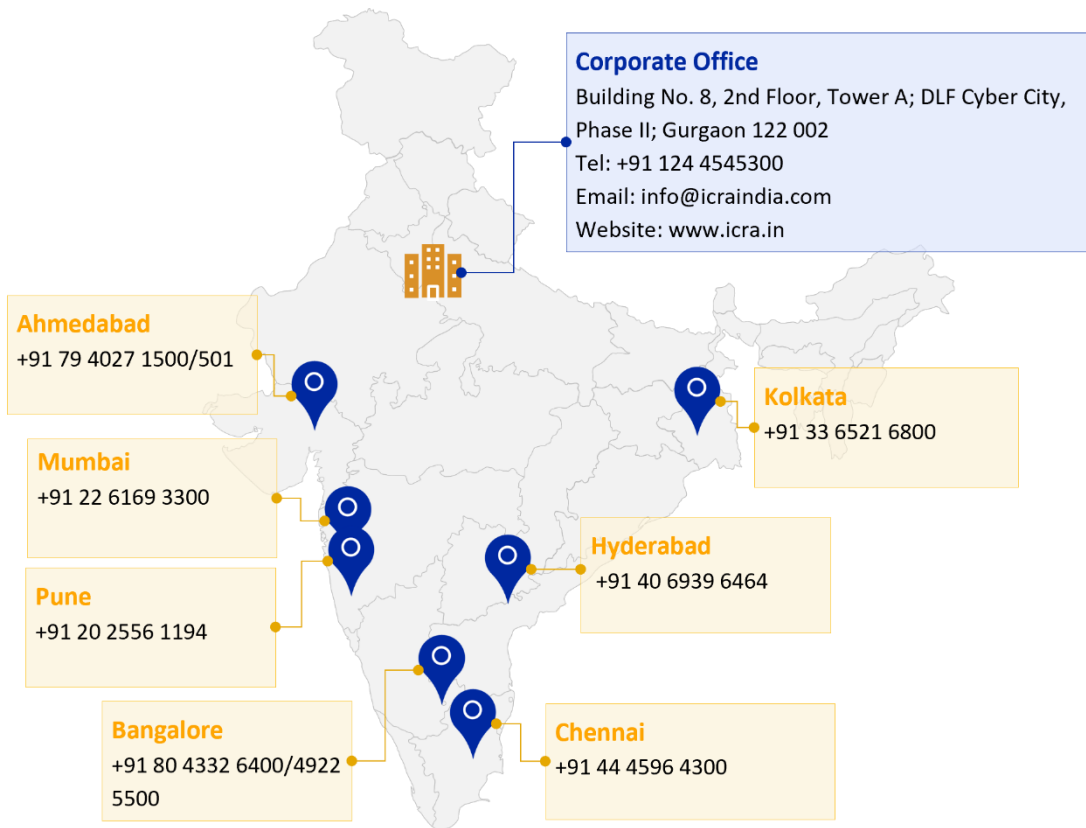
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