

November 19, 2025

Acsen Agriscience Private Limited: Rating reaffirmed; outlook revised to Negative

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Fund based- Cash credit	10.00	22.00	[ICRA]A(Negative); rating reaffirmed; outlook revised to Negative from Stable
Long term - Fund based - Cash credit	12.00	0.00	-
Total	22.00	22.00	

*Instrument details are provided in Annexure I

Rationale

ICRA has considered the consolidated financials of Acsen Agrisciences Pvt Limited (AAPL/the company) to arrive at the rating. The outlook on the rating has been revised to Negative from Stable on expectations of modest profitability and revenue growth in FY2026. The company sells hybrid vegetables seeds and certain open pollination variety seeds as well. Excess rainfall in the current kharif season impacted the sales in YTD FY2026, which will keep the growth under check in the current fiscal. Additionally, an increase in the cost of seed production and rising overheads are expected to keep the operating profitability muted.

ICRA notes that the company has set up a subsidiary in Tanzania through which it intends to sell seeds in the country. The cost incurred to set up the Tanzanian entity, which is in its initial phase of operation, has resulted in muted profitability at the consolidated level. The cash losses suffered for the Tanzanian entity have been funded by AAPL through loans and advances. AAPL's operating profit has weakened since FY2024 owing to the rising cost of seed production and increasing overheads, while the revenue moderated sharply in FY2024 followed by growth in FY2025. The OPBDITA improved to Rs. 19.2 crore in FY2025 from Rs. 10.9 crore in FY2024 on a consolidated basis. Though the OPBDITA improved in FY2025, it remains the second lowest in the FY2020 to FY2025 period. Going forward, ICRA expects the company's performance in FY2026 to remain in line with the FY2025 levels.

The rating additionally continues to take into account the company's position as one of the leading players in the hybrid vegetable seed segment and its presence across India. Further, its strong research and development (R&D) capabilities, reflected in its presence in various hybrid vegetable seeds, along with the diversification into field crops support the revenue growth prospects. The ratings also factor in the healthy leverage and coverage indicators owing to minimal reliance on external borrowings and a robust net worth.

The rating is, however, constrained by the intensely competitive vegetable seeds segment and a research-intensive industry with high investments required in R&D, which might adversely impact the company's profitability and cash accruals. The rating also factors in AAPL's moderate scale of operations, despite the recent improvement, and the high revenue concentration in the hybrid vegetable seeds segment which accounts for 68-70% of the company's top line. Further, the rating factors in AAPL's susceptibility to the uncertainty in agro-climatic conditions, which can adversely impact its operations of developing commercialised seeds and affect the demand for hybrid seeds as well.

The Negative outlook on the long-term rating reflects ICRA's expectation that the overall profitability of the company will remain modest in the near to medium term. While the credit metrics will continue to be healthy given the low reliance on debt, the cash generation will remain modest vis-à-vis the earlier levels.

Key rating drivers and their description

Credit strengths

Established market presence in India's hybrid vegetable seed market – AAPL has established itself as one of the prominent players in the hybrid vegetable seed market in India through its strong research and development capabilities, supported by an extensive distributor network of over 1,600 distributors and a pan-India presence. AAPL also has more than 15 marketing offices in all the regions of India, catering to farmers of all geographies.

Strong in-house R&D capabilities – AAPL has established strong in-house R&D capabilities and a dedicated team to ensure the success of its seed development programmes. AAPL develops its own germplasms for many of its products and has established tie-ups with renowned institutes and universities around the world to obtain quality germplasms to develop other products. This has strengthened its market position in the Indian hybrid seed market. AAPL has witnessed a healthy scale-up of operations, supported by acceptance and demand for its products by farmers.

Healthy leverage and coverage metrics – AAPL's credit risk profile remains healthy with no long-term debt obligation and minimal cash credit utilisation as on March 31, 2025. The TOL/TNW has remained consistent at around 0.3x as on March 31, 2025, vis -a-vis FY2024. The TD/TNW also remained low at 0.01x as on March 31, 2025. The interest coverage ratio stayed healthy at 45.9x in FY2025. With low reliance on debt, the leverage and coverage metrics are expected to remain robust.

Credit challenges

Sustained R&D requirement for maintaining growth and market share – Given the intense competition in the hybrid seed industry, a sustained research and development is necessary to develop seeds of premium quality in terms of pest resistance, quality and quantity of yield. The process of hybrid seed development also involves a long gestation period, usually around four to six years. This requires huge investment in R&D facilities, and demand estimation for the products being developed becomes more crucial. These factors increase the volatility of the company's profitability and cash accruals.

Moderate scale of operation and high revenue concentration in hybrid vegetable seed segment – AAPL's scale of operations remains moderate, generating a revenue of Rs. 204 crore in 7M FY2026 vis-à-vis Rs. 314 crore in FY2025. AAPL also derives a major portion of its revenue from the hybrid vegetable seed segment which contributes around 69% to the total revenue. However, the company's diverse product portfolio within the segment with 21 different vegetable seed products and its foray into field crops mitigate this risk to an extent but concentration risk related to key products such as hot pepper, tomato and okra remains an overhang.

Business susceptible to uncertain agro-climatic conditions – The seed business is seasonal in nature and depends on rainfall and other climatic conditions. This exposes AAPL's revenue and profitability to crop and monsoon failure. However, AAPL's pan-India presence and commercial seed development programme in different regions mitigate the risk of monsoon failure in specific geographical regions of India to some extent.

Liquidity position: Adequate

AAPL's liquidity position remains adequate, supported by Rs. 10.89 crore of cash balances and mutual funds as on October 31, 2025, with Rs. 6.80 crore of undrawn limits out of the total sanctioned limit of Rs. 25 crore. The company has since then liquidated the mutual fund investments in the second week of November temporarily due to the liquidity needs to meet supplier advances. Also, a cash flow of around Rs. 20 crore is expected from the company's operations. The company does not have any term debt repayments and the estimated maintenance capex of Rs. 4-6 crore per annum can be comfortably met through internal accruals.

Rating sensitivities

Positive factors – The rating may be upgraded in a scenario of a sustained growth in the company’s revenues and earnings.

Negative factors – Pressure on AAPL’s rating could arise in case of a sustained moderation in its scale of operations and earnings. Any large debt funded capex and/or a stretch in working capital cycle impacting the liquidity position and credit metrics could also result in a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	The rating is based on the consolidated financial profile of the company.

About the company

AAPL was incorporated in 2009 and is an established player in the vegetable seed segment in India. The company was formed after the demerger of the vegetable seed division from Rasi Seeds Private Limited. AAPL has been involved in the research, breeding, development and sale of hybrid vegetable seeds and has established itself as a prominent player in the hybrid vegetable seeds market with a diverse product portfolio.

AAPL has R&D facilities in Bengaluru, Coimbatore, Sohna and Kullu for product development and quality assurance. AAPL, since 2018, has expanded into the field crop segment (maize, pearl millet, mustard and paddy) with a focus on further diversifying its product portfolio.

Key financial indicators (audited)

AAPL (consolidated)	FY2023	FY2024	FY2025
Operating income	316.1	255.1	314.3
PAT	30.6	2.9	7.9
OPBDITA/OI	14.3%	4.3%	6.1%
PAT/OI	9.7%	1.1%	2.5%
Total outside liabilities/Tangible net worth (times)	0.4	0.3	0.3
Total debt/OPBDITA (times)	0.1	0.2	0.1
Interest coverage (times)	75.3	19.8	45.9

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: 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 (FY2026)				Chronology of rating history for the past 3 years						
	Type	Amount rated (Rs. crore)	November 19, 2025	FY2026		FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	22.00	[ICRA]A (Negative)	May 30, 2025	[ICRA]A (Stable)	-	-	Mar 27, 2024	[ICRA]A (Stable)	Dec 23, 2022	[ICRA]A (Stable)
Cash credit	Long term	0.00	-	May 30, 2025	[ICRA]A (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund based - Cash credit	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 - Cash credit	NA	NA	NA	22.00	[ICRA]A (Negative)

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	Ownership	Consolidation Approach
ACSEN AGRISCIENCE (INTL) PTE. LTD ('AAIPL')	100.00%	Full Consolidation

ANALYST CONTACTS

Girish Kumar Kadam

+91 22 6114 3441

girishkumar@icraindia.com

Prashant Vasisht

+91 124 4545322

prashant.vasisht@icraindia.com

Varun Gogia

+91 124 4545 319

varun.gogia1@icraindia.com

Aman Kumar

+91 9266896622

aman.kumar@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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