

March 24, 2026

Astec LifeSciences Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term-Fund Based-Cash Credit	346.0	283.0	[ICRA]AA- (Negative); reaffirmed
Long Term-Fund Based-Term Loan	119.0	100.0	[ICRA]AA- (Negative); reaffirmed
Short Term-Non Fund Based-Others	425.0	335.0	[ICRA]A1+; reaffirmed
Commercial Paper	300.0	300.0	[ICRA]A1+; reaffirmed
Non-convertible Debentures	50.0	50.0	[ICRA]AA- (Negative); reaffirmed
Total	1,240.0	1,068.0	

*Instrument details are provided in Annexure-1

Rationale

The retention of Negative outlook for the long-term rating of Astec LifeSciences Limited (Astec) factors in its weak operational performance, as reflected by operating losses over the period FY2024-9M FY2026. The company's revenue base has remained impacted during this period on account of demand slowdown across key global markets amid an overstocking situation across the supply chain, increased competitive intensity, in addition to erratic monsoon conditions. There is a gradual improvement in its operational performance over the last 2 years. However, going forward, Astec's margins are expected to remain lower than the historic levels. Nonetheless, ICRA notes the gradual recovery underway in Astec's operational performance, with the company reporting sequential improvement in performance for two consecutive quarters (Q2 and Q3 FY2026), with the recovery momentum anticipated to sustain, going forward. Supported by the said recovery in performance seen in the recent past, Astec reported 10% YoY revenue growth in 9M FY2026, while operating profit margin (OPM) improved from -25.1% (9M FY2025) to -3.9% (9M FY2026). Moreover, while the weakening of performance over the past 2-3 fiscals has resulted in the erosion of net worth position over the past couple of years, the rights issue of Rs. 237 crore undertaken by the company in July 2025 (including Rs. 200-crore fresh equity infusion by the parent company – Godrej Agrovet Limited / GAVL through this rights issue) provided some comfort to the net worth position. Astec's ability to materially improve its operational performance in both its key segments, enterprise and contract development and manufacturing (CDMO),¹ remains a key rating monitorable going forward.

The ratings continue to factor in Astec's established track record in the agrochemicals business, and reputed clientele comprising large multinational corporations (MNCs) in the domestic and exports market. ICRA also notes the large share of exports in the revenue pie, and Astec's plans to attain higher business diversification through herbicide product offerings, going forward. The ratings also derive comfort from Astec's strong parentage as part of the Godrej Industries Group, which imparts financial flexibility. ICRA notes that Godrej Agrovet Limited (GAVL, Astec's parent entity, rated [ICRA]AA (Stable)/[ICRA]A1+) has been gradually increasing its stake in Astec (67.03 % as on December 31, 2025, from 52.28% as on December 31, 2015), which indicates the company's strategic importance to GAVL and the Godrej Industries Group. GAVL has also been providing financial support to Astec by way of inter-corporate deposits (ICDs) as per its requirements, and ICRA expects GAVL to continue the same as and when required.

¹ Astec primarily offers technical-grade fungicides and agrochemicals through its enterprise segment while offering agrochemical intermediates and specialty chemicals through its CDMO segment

The ratings, however, remain constrained by the high product concentration risks faced by Astec, due to its dependence on a few key generic molecules for a major proportion of its revenues, demand for which has been volatile in the recent past. The entity is facing unprecedented competition in the global market from Chinese players, and ICRA expects pricing pressures for some of Astec's key products to continue in the coming quarters due to the said competition in the global agrochemicals market. Nevertheless, the liquidation of high-cost legacy inventory by Astec has aided the reduction in inventory holding costs and has thus supported margin improvement to an extent.

The credit metrics of the company are likely to remain suppressed over the near term. Nevertheless, ICRA notes that the company is expanding its presence in the higher-margin CDMO segment to mitigate the risks related to product concentration and protect itself from the volatilities of the commoditised enterprise market. The company has also pruned its capex outlay over the near to medium term, as the focus remains on enhancing capacity utilisation, thereby improving profitability.

In line with industry trends, the company's revenues remain susceptible to the vagaries of monsoons and seasonality associated with the business. However, these risks are partially mitigated by Astec's geographically diversified revenue profile, spanning both domestic and export markets. Domestic sales contributed around 40% of revenues in 9M FY2026, whereas exports contributed around 60% for the period. However, since Astec operates in off-patent and commodity chemical markets, its revenues remain susceptible to global demand and supply dynamics and the resultant pricing movements, as visible in performance over the past few quarters. The ratings also consider the vulnerability of Astec's profit margins to fluctuations in raw material prices and its ability to pass these on to customers in a timely manner. However, its backward-integrated operations mitigate this risk to a certain extent. While Astec currently has a concentrated portfolio of triazole products in the enterprise segment, ICRA notes the company's efforts towards diversification by expanding into the herbicide segment, with new products likely to mitigate this, going forward. The company also commissioned an R&D facility, which has been augmenting its new product development capabilities and would thus benefit from opportunities arising from the global demand shift from China for Indian entities. The company has also started implementing process optimisation through R&D initiatives in order to support margin expansion, going forward.

Key rating drivers and their description

Credit strengths

Strong parentage and financial flexibility as a part of Godrej Industries Group – Following GAVL's majority stake purchase in Astec in late FY2016, it has benefited in terms of managerial as well as financial support from GAVL. GAVL has also been providing financial support to Astec by way of ICDs as per requirements, and ICRA expects GAVL to continue to do so should there be a need. GAVL has gradually increased its stake in Astec to 67.03% as on December 31, 2025, from 52.28% as on December 31, 2015, which indicates the company's strategic importance to GAVL and the Godrej Industries Group. Furthermore, Astec continues to benefit from the strong financial flexibility derived from being a part of the Godrej Industries Group, which provides access to capital markets and maintains healthy relationships with banks.

Established track record in manufacturing fungicides, reputed clientele – Astec has an established track record in the agrochemicals business, spanning more than two decades. Supported by its technical competencies, the company has established itself as one of the preferred suppliers of technical-grade fungicides to a reputed clientele comprising large MNCs in the domestic and export markets. Furthermore, the company's investments in the R&D centre (launched in April 2023) are expected to significantly enhance its R&D capabilities, enabling it to develop new products and benefit from opportunities arising from the global demand shift from China for Indian entities. Further, the efforts undertaken by Astec to attain higher business diversification by entering herbicide manufacturing are expected to provide incremental revenue growth over the medium term.

Efforts undertaken for higher business diversification expected to yield results over the medium term – As part of its efforts to strengthen its business profile by reducing dependence on commoditised enterprise products, where revenues and margins are relatively volatile, the company has been focusing on increasing its revenue share from the higher-margin and more predictable CDMO segment. The cautious approach adopted by the company while onboarding new clients/projects, in order

to focus on high-margin opportunities, has restricted revenue growth momentum over the past few quarters. However, the CDMO segment is expected to sustain moderate revenue growth over the near to medium term, with an expanding enquiry funnel likely to translate into revenue opportunities. Astec also ventured into herbicide manufacturing in August 2021 in order to diversify its business profile. Such efforts are expected to strengthen its business profile over the medium term and provide better revenue and margin visibility.

Credit challenges

Sustained weakening in the operational performance resulted in muted profitability while exerting pressure on the capital structure – Given the sustained slowdown in operational performance in the recent past on account of the overstocking situation across the global supply chain and increased competitive intensity, Astec reported operating losses from FY2024 through 9M FY2026, as reflected by the operating profit margin (OPM), which stood at -16.7% in FY2025 and -3.9% in 9M FY2026 (unaudited results). It is to be noted that Astec did a rights issue which helped the capital structure favourably. Further, Astec also posted a net loss of Rs. 134.7 crore in FY2025 and a net loss of Rs. 73.1 crore in 9M FY2026. As a material recovery in demand for the enterprise segment is expected to occur only gradually over the medium term, Astec's profitability is expected to remain pressured over the near to medium term.

High product concentration risk – The company's agrochemicals product portfolio primarily comprises triazole fungicides. Until FY2022, Astec derived a large part of its revenues from a few products within the above-mentioned category, leading to product concentration risks. However, to diversify its portfolio, Astec has ventured into herbicide manufacturing. With ramp-up from the herbicide facility and expansion undertaken in the recent past, the company's dependence on triazole fungicides is expected to reduce gradually over the medium term. The R&D facility is also expected to aid Astec in new product development, auguring well for reducing its exposure to a few key enterprise products.

Moderate scale of operations and susceptibility of revenues to seasonality and agro-climatic risks – Astec's scale of operations remains moderate, as reflected in an operating income of Rs. 383.5 crore in FY2025 (Rs. 292.0 crore in 9M FY2026), with the company likely to see moderate YoY revenue growth in FY2026, albeit on a narrowed base. Furthermore, its revenues remain susceptible to the vagaries of monsoons and seasonality associated with the agrochemicals sector; however, the latter is mitigated to an extent by its diversified geographical presence.

Profitability exposed to fluctuations in input prices, forex movement, market volatilities and limited pricing power – Astec's profit margins remain exposed to fluctuations in raw material prices, primarily those sourced from China. Market volatilities in the commoditised agrochemicals market, coupled with limited pricing power, have led to a steep decline in margins over the past few quarters, and this trend is expected to continue in the enterprise product segment, which accounted for 46% of its revenues in FY2025 (50% in 9M FY2026). Nevertheless, Astec's backward-integrated operations, continuous investments towards the same, and efforts to diversify into the higher-margin and relatively stable CDMO segment are expected to mitigate these risks over the medium term. Given the large share of exports in its revenue mix, Astec's profitability also remains exposed to forex fluctuations; however, natural hedging provided by imports (with the company meeting 50-55% of its overall raw material requirements through imports) provides some comfort against this risk.

Environmental and Social Risks

Environmental considerations: Astec, being primarily engaged in the agrochemical space, remains exposed to the risk of tightening regulations for the production, handling, and transport of chemical products with regard to safety and environmental impact, as well as remedial measures for pollution and effluent treatment. Additionally, some products may face restrictions or substitution over time due to their hazardous nature and the availability of more environment-friendly products. Also, in the event of accidents, the liability could be high for certain products. In this context, Astec's efforts to diversify its revenue sources with entry into the herbicide business mitigate the said risks to an extent.

Social considerations: The company's exposure to social risks mainly pertains to safe operations and compliance with various regulations to ensure the safety of employees and the surrounding community. Additionally, the retention of skilled employees

remains important from a business continuity perspective. For this, Astec undertakes various initiatives towards employee engagement, training and development, awards and recognition, and welfare on a periodic basis.

Liquidity position: Adequate

Astec’s liquidity profile is expected to remain adequate, supported by a buffer available in the form of undrawn working capital lines, wherein the buffer stood at around Rs. 317 crore as of December 31, 2025, with average working capital utilisation being moderate at 44% for the 10-month period ended December 2025, and cash and liquid investment balance of around Rs. 10 crore as of September 30, 2025. Astec’s long-term debt repayment for FY2026 was sizeable at around Rs. 161 crore (including Rs. 102 crore prepayment with proceeds from the rights issue), with the debt repayment quantum for FY2027 being around Rs. 90 crore, likely to be funded through the placement of fresh NCDs, with financial support from GAVL to be availed in the form of ICDs if required. The capex outlay over the medium term is expected to remain limited at Rs. 10-15 crore per annum. Astec’s CP repayment typically stands at Rs. 50-100 crore every month, with a buffer in the form of undrawn working capital lines and the availability of ICDs from the parent providing comfort towards short-term debt repayment obligations. Additionally, Astec enjoys favourable rates in the commercial paper market, indicating strong refinancing capacity. While cash flow from operations is currently impacted by industry-wide challenges, ICRA notes that Astec, as part of the Godrej Industries Group, enjoys access to capital markets and maintains healthy relationships with banks, which adds to financial flexibility and supports the overall liquidity profile. Further, ICRA expects GAVL to provide financial support to Astec should there be a need.

Rating sensitivities

Positive factors – The outlook will be revised to Stable in case of sustained improvement in the operating performance of the company, thereby resulting in an improvement in the overall credit metrics. The ratings can be upgraded if there is a sustained profitable scale up of operations along with diversification of revenue profile, while maintaining a comfortable credit profile. Improvement in the credit profile of the parent entity would also be a credit positive.

Negative factors – Downward pressure on the ratings could if the company continues to witness sustained pressure on earnings, thereby resulting in a further deterioration in the credit metrics of the company. Deterioration in the credit profile of the parent entity and/or weakening in the linkage between Astec and the parent entity could also lead to a downward rating pressure.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology for Entities in the Agrochemicals Industry
Parent/Group support	Parent/Group Company: Godrej Agrovet Limited (GAVL, rated [ICRA]AA (Stable)/[ICRA]A1+) ICRA expects GAVL to be willing to extend financial support to Astec, should there be a need.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Astec. The details are given in Annexure-II.

About the company

Astec is involved in the manufacturing and sale of intermediates, active ingredients, and formulations, with a focus on the agrochemicals sector. The company has five manufacturing plants in Mahad (Maharashtra) and two R&D centres in Dombivali and Rabale (Maharashtra). While the Dombivali unit was acquired by the company in 1994, one of the three units at Mahad was procured from Behram Chemicals Private Limited in 2002. In FY2012, Astec forayed into the contract manufacturing segment by securing contracts from reputed global players. The company also started manufacturing herbicides from August 2021 onwards.

In August 2015, the company’s erstwhile promoters sold 45.29% of its paid-up equity shares to GAVL (rated [ICRA]AA (Stable)/[ICRA]A1+), pursuant to which an open offer was announced for an additional 26.05% of the paid-up equity shares.

By the closure date of December 2015, GAVL had subscribed to an additional 6.99% in Astec, thus becoming a majority shareholder with a stake of 52.28%. Over the years, GAVL has been consistently increasing the stake held in Astec by procuring shares from the open market and held a 67.03% stake in Astec as on December 31, 2025.

Key financial indicators

Astec (consolidated)	FY2024 Audited	FY2025 Audited	9M FY2026 Unaudited
Operating Income (Rs. crore)	463.6	383.5	292.0
PAT (Rs. crore)	- 46.9	-134.7	-73.1
OPBDIT/OI (%)	- 0.1%	-16.7%	-3.9%
PAT/OI (%)	- 10.1%	-35.1%	-25.0%
Total Outside Liabilities/Tangible Net Worth (times)	1.6	2.8	NA
Total Debt/OPBDIT (times)	NA [^]	NA [^]	NA
Interest Coverage (times)	NA [^]	NA [^]	NA [^]

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Source: Astec, ICRA Research; *Unaudited results; Forex gain is classified as a part of other operating income; [^]as OPBDIT is negative

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	March 24, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based Working Capital Facilities	Long-term	283.0	[ICRA]AA-(Negative)	May 10, 2024	[ICRA]AA-(Stable)	November 07, 2023	[ICRA]AA-(Stable)	April 07, 2022	[ICRA]AA-(Stable)
				July 30, 2024	[ICRA]AA-(Stable)	-	-	June 23, 2022	[ICRA]AA-(Positive)
				August 07, 2024	[ICRA]AA-(Negative)	-	-	March 14, 2023	[ICRA]AA-(Stable)
				March 25, 2025	[ICRA]AA-(Negative)	-	-	-	-
Term Loan	Long-term	100.0	[ICRA]AA-(Negative)	May 10, 2024	[ICRA]AA-(Stable)	November 07, 2023	[ICRA]AA-(Stable)	April 07, 2022	[ICRA]AA-(Stable)
				July 30, 2024	[ICRA]AA-(Stable)	-	-	June 23, 2022	[ICRA]AA-(Positive)
				August 07, 2024	[ICRA]AA-(Negative)	-	-	March 14, 2023	[ICRA]AA-(Stable)
				March 25, 2025	[ICRA]AA-(Negative)	-	-	-	-
Non-fund Based Facilities	Short-term	335.0	[ICRA]A1+	May 10, 2024	[ICRA]A1+	November 07, 2023	[ICRA]A1+	April 07, 2022	[ICRA]A1+
				July 30, 2024	[ICRA]A1+	-	-	June 23, 2022	[ICRA]A1+
				August 07, 2024	[ICRA]A1+	-	-	March 14, 2023	[ICRA]A1+
				March 25, 2025	[ICRA]A1+	-	-	-	-
Commercial Paper Programme	Short-term	300.0	[ICRA]A1+	May 10, 2024	[ICRA]A1+	November 07, 2023	[ICRA]A1+	April 07, 2022	[ICRA]A1+
				July 30, 2024	[ICRA]A1+	-	-	June 23, 2022	[ICRA]A1+
				August 07, 2024	[ICRA]A1+	-	-	March 14, 2023	[ICRA]A1+
				March 25, 2025	[ICRA]A1+	-	-	-	-
Non-convertible Debenture Programme	Long-term	50.0	[ICRA]AA-(Negative)	March 25, 2025	[ICRA]AA-(Negative)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Commercial Paper	Simple
Long-term - Fund-based - Cash credit	Simple
Long-term - Fund-based - Term loan	Simple
NCD	Simple
Short-term - Non-fund based	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 / sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long-term, Fund-based Working Capital Facilities	NA	NA	NA	283.0	[ICRA]AA- (Negative)
NA	Term Loan	01-Jun-2023	NA	30-Apr-2028	100.0	[[ICRA]AA- (Negative)
NA	Non-fund Based Limits	NA	NA	NA	335.0	[ICRA]A1+
INE563J08023	NCD	27-Mar-2025	8.9%	25-Mar-2027	49.00	[ICRA]AA- (Negative)
Yet to be placed	NCD	NA	NA	NA	1.0	[ICRA]AA- (Negative)
INE563J14CT9	Commercial Paper	15-May-2025	7.33	15-May-2026	25.00	[ICRA]A1+
INE563J14DE9	Commercial Paper	30-Oct-2025	6.90	29-Apr-2026	25.00	[ICRA]A1+
INE563J14DG4	Commercial Paper	11-Nov-2025	7.00	15-Apr-2026	25.00	[ICRA]A1+
INE563J14DH2	Commercial Paper	24-Nov-2025	6.73	22-May-2026	25.00	[ICRA]A1+
Yet to be placed	Commercial Paper	NA	NA	NA	200.00	

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	Astec Ownership (March 31, 2024)	Consolidation Approach
Behram Chemicals Pvt Ltd	65.63%	Full Consolidation
Comercializadora Agricola Agrostrachem Cia Ltda	100.00%	Full Consolidation

Source: Company

ANALYST CONTACTS

Jitin Makkar

+91 124 4545368

jitinm@icraindia.com

Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Mythri Macherla

+91 22 6114 3435

mythri.macherla@icraindia.com

Yashowardhan Swami

+91 20 6606 9923

yashowardhan.swami@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

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



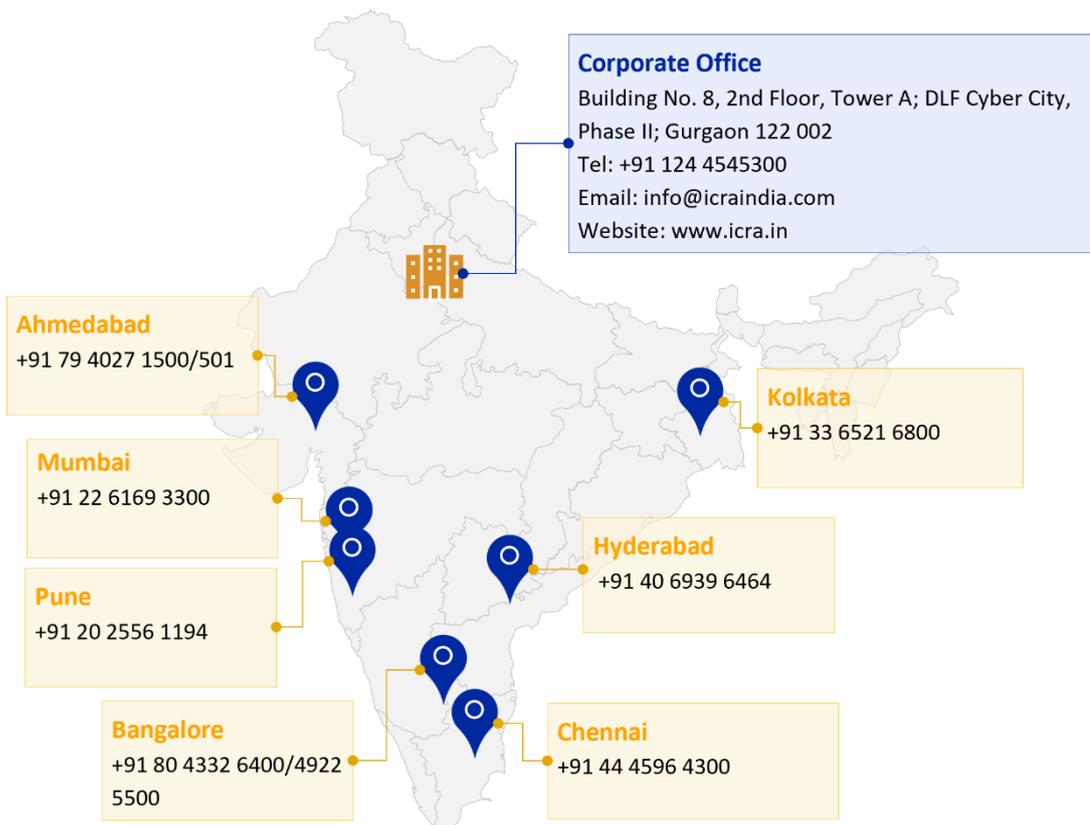
Registered Office

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

Tel: +91 11 23357940-45



Branches



© Copyright, 2026 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.