

April 28, 2026

Willowood Chemicals Limited (erstwhile known as Shreeji Agchem Pvt. Ltd.): Ratings reaffirmed and assigned for enhanced amount; rating assigned for long-term loan

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/Short term – Fund based/Non-fund based – Others	705.00	786.00	[ICRA]A (Negative)/ [ICRA]A2+; reaffirmed and assigned for enhanced amount
Long term - Fund based -Term loan	0.00	90.00	[ICRA]A (Negative); assigned
Total	705.00	876.00	

*Instrument details are provided in Annexure II

Rationale

The ratings assigned to the bank lines of Willowood Chemicals Limited (WCL/the company) factors in an improvement in the company's profitability in FY2025 and 9M FY2026. There has been a meaningful uptick in WCL's standalone performance, with growth in both the revenue and operating profits in 9M FY2026. The revenue increased to Rs. 2,084 crore in FY2025 and to Rs. 1,672.7 crore in 9M FY2026. The operating profit before depreciation, interest and amortisation (OPBDITA) stood at Rs. 268.2 crore in FY2025 and Rs. 246 crore in 9M FY2026 (provisional). The operating margins improved to 14.7% in 9M FY2026 (provisional) vis-à-vis 12.95% in FY2025, driven by a healthy expansion in the scale of operations and stable gross margin on the sale of products, backed by a strong product portfolio.

The consolidated performance of Willowood Chemicals Limited improved in FY2025, with the OPBDITA increasing to Rs. 255 crore from Rs. 196.5 crore in FY2024, supported by growth in WCL's standalone performance and lower operating losses at Willowood Industries Private Limited {WIPL, rated [ICRA]BBB+ (Negative)/[ICRA]A2}. While WIPL posted operating losses in FY2025, the losses narrowed in FY2025 over FY2024 and further in 9M FY2026. The extent of the improvement in the consolidated profitability for WCL in FY2027 will remain a key monitorable. The company has introduced a few new products in the domestic markets in FY2027 and expects to generate healthy revenue and earnings from them, which should support the earnings of both WIPL and WCL on a consolidated basis.

ICRA notes that the consolidated interest coverage ratio is expected to remain below 5.0x in FY2026 and FY2027, although it may improve in FY2027 over the FY2026 levels. The operating losses at WIPL and the consequent strain on the liquidity has resulted in higher borrowings at the consolidated level for WCL, pushing up the interest costs and lowering the interest coverage ratio. However, with an expected improvement in profitability at the consolidated level, the interest coverage ratio is likely to improve gradually from hereon. The Group has also raised fresh loans at WIPL's level, a portion of which was used to repay the unsecured loans extended by WCL to WIPL. The repayments, in turn, have been used by WCL to fund its working capital requirements, thereby easing some pressure on liquidity.

ICRA also notes that WCL is planning to merge WIPL with itself to streamline the operations and benefit from lower operating costs. While the plans are in preliminary stages, ICRA will continue to monitor the developments on this front.

The ratings continue to factor in the extensive experience of the promoters of about three decades in the agrochemical industry across the globe and the established operational track record of the company of over a decade. The company is present across the entire agrochemical value chain. WCL has a healthy pool of products, both patented and non-patented, under its fold which has resulted in healthy sales. It has a network of over 12,000 distributors in the domestic market,

supported by established brands in the retail segment, and a reputed clientele in the trading and toll manufacturing segments. The ratings also take comfort from the low product and geographical concentration of WCL's sales.

The ratings are, however, constrained by the vulnerability of WCL's operations to agro-climatic risks, along with the high seasonal concentration with sales during the kharif season contributing to over 70% of its total revenue. The supplier concentration risk is also high with 65-70% of the active ingredients (AIs) procured from China.

The ratings factor in the company's working capital-intensive operations and the exposure to foreign currency fluctuation risk, given the high dependence on imports. Further, the agrochemical industry is highly regulated due to the hazardous nature of pesticides and any decision to ban certain products by the Government can have a significant impact on its operations. The ratings are also constrained by WIPL's subdued profitability, which has resulted in a moderation of the overall credit metrics and the consolidated liquidity profile.

The Negative outlook on the rating reflects ICRA's expectation that the consolidated credit profile of WCL, though improving, will remain subdued owing to the muted profitability at WIPL's level. WIPL is in the process of introducing a couple of new molecules, which the management expects will support an improvement in WIPL's profitability; ICRA will continue to monitor the developments on this front.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in agrochemical industry - The company was promoted by Mr. Vijay Mundhra and Mr. Parikshit Mundhra in 2006. Mr. Vijay Mundhra is the founder of the Hong-Kong based Willowood Group and has about three decades' experience in the agrochemical industry. The Willowood Group has a diversified global presence, with its customer base spanning 50 countries across Africa, Asia, Europe, Brazil, South America and North America, and it is engaged in the production and distribution of pesticides and other crop protection chemicals worldwide.

Diversified revenue stream with presence across agrochemical value chain - WCL is present across the agrochemical value chain, including B2B trading of active ingredients (AIs), toll manufacturing of final formulations, retail marketing and distribution of final formulations, along with the research and development (R&D) of the new AIs and formulation combination. The company's well-diversified product portfolio covers a wide range of AIs and formulations in insecticides, herbicides, fungicides, as well as plant growth regulator products, which supports revenue diversification and mitigates concentration risks across products and customers.

Wide distribution network and established brand presence in retail market - Over the years, WCL has established a wide distribution network with over 12,000 dealers/distributors across around 18 states in India. The network is further supported by an in-house team of marketing executives and field assistants for effective market penetration and customer outreach. WCL markets its products under its own brand and has built a strong retail presence with a portfolio of 80 brands.

Healthy product profile - WCL's product profile includes a mix of formulations and technicals. It has also received patents for several of its combination products which enables the company to drive healthy demand for its products. Additionally, the company's product profile largely includes blue and yellow triangle products along with a healthy mix of various pesticide categories. WCL has also reduced its dependence on a few products which have become generic and is focusing on developing a more margin-accretive product profile.

Reputed and diversified customer base with track record of repeat business - The company has diversified into the B2C and B2B segments. For its B2B segment, the company has more than 100 customers, including Dhanuka Agritech Limited, Sumitomo Chemical India, Chambal Fertilisers and Chemicals Limited (rated [ICRA]A1+), PI Industries Limited, etc. WCL has established long-term relationships with most of its customers, reflected in the large number of repeat orders received every year, which lends stability and visibility to the revenue.

Credit challenges

High dependence on China for AI; any significant supply disruption remains a risk – About 65-70% of Willowood India's total AI requirement is met through imports from Chinese suppliers, exposing the company to supplier concentration risk. Any significant disruption in supply from China could adversely impact the company's operations and profit margins. While the dependence on China is expected to moderate marginally with the commissioning of the AI plant under WIPL, the imports from China will continue to constitute a material portion of the company's AI requirement, going forward as well.

High working capital intensity - The company's working capital intensity, measured by the net working capital to operating income (NWC/OI), increased and remained high at 59% in FY2025 and is expected to remain elevated in FY2026 owing to the sizeable revenues in Q4 FY2026. Given the seasonality of the sales, the company is required to maintain high finished goods inventory at the beginning of the kharif and rabi seasons. The company maintains a high level of raw material inventory as a significant portion of the AI needs is met through imports, further contributing to elevated working capital requirements.

Regulated nature of industry - The agrochemical industry is highly regulated in the domestic market with stringent norms for registering the products to be produced and sold in India. Hence, the products remain susceptible to bans or restrictions owing to their poisonous nature and thus the industry has to ensure that the products are compliant with the regulatory norms.

Subdued performance of WIPL – WCL, under its wholly-owned subsidiary WIPL, had commissioned a technical manufacturing facility at Dahej in a phased manner by December 2023 (starting from December 2022). The entity's production and sales ramp-up have been weak owing to the adverse market conditions that affected the demand for its products. WIPL reported operating losses in FY2025 and FY2026 due to the lack of competitiveness of its product portfolio, particularly in the export markets, where the prices have witnessed a sharp correction. In FY2027, the company's profitability is expected to improve, supported by the introduction of new molecules which currently have a strong order book. WIPL's ability to ramp up its operations and post healthy profits will remain a key monitorable from a debt servicing point of view. In case there is a lower-than-expected revenue/profit improvement, WIPL will continue to depend on WCL's support to meet its debt servicing requirement in FY2027 as well.

Exposure to agroclimatic risks - As the share of irrigated (by dams/canals/wells) area is low in India, most regions depend on the monsoons. Poor monsoons translate into slower agrochemical offtake and, therefore, affect the performance of agrochemical entities. However, the Group's diversified geographical presence across 18 states partially mitigates the agroclimatic risks.

Liquidity position: Adequate

At a consolidated level, WCL's liquidity position remains adequate with healthy annual fund flow from operations. The company's unencumbered cash balance and investments stood at Rs. 46.0 crore as on March 31, 2025. WCL also had a sanctioned interchangeable working capital facility of Rs. 803.0 crore as on February 28, 2026. The average utilisation of the fund-based limits remained at around 89% in the last 12 months. The repayment for FY2027 stands at Rs. 43.1 crore which the company should be able to meet comfortably. The capex plans for FY2027 are funded through an already tied up term loan, which supports the liquidity position.

Rating sensitivities

Positive factors –The outlook maybe revised to Stable if the liquidity profile improves, driven by an improvement in the performance of WIPL and/or a better working capital cycle for WCL. The ratings may be upgraded if there is a sustained improvement in the revenue and operating profit on a consolidated basis, resulting in healthy liquidity, leverage and coverage metrics.

Negative factors – Pressure on the ratings can arise if there is any significant deterioration in the scale of operations and profit margins, or any stretch in the working capital position of the company, weakening the liquidity position. Further, any deterioration in the debt metrics owing to any large debt-funded capex/investments will weigh on the ratings. A specific credit metric for downgrade would be a total interest coverage ratio of less than 5.0x on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Agrochemicals
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of Willowood Chemicals Limited and its subsidiaries enlisted in Annexure III

Note (for analyst reference only):

About the company

The Willowood Group has over 25 years of experience with customers spread across 50 countries in Africa, Asia, Europe, South America and North America. The Group is promoted by Mr. Vijay Mundhra (Hong-Kong based) and Mr. Parikshit Mundhra. The Group has offices in Hongkong, China, India, Brazil, Indonesia, Kenya and the USA. The Willowood Group is an ISO-accredited company and is primarily engaged in the production and marketing of agrochemicals across the world. Its product portfolio includes several technicals (also called active ingredient or AI) and formulations (also called final product) in the following product segments - insecticides, herbicides, fungicides, acaricides, biopesticides and plant growth regulators.

Willowood India, an affiliate company of Willowood Group, is a leading manufacturer and distributor of agrochemicals and other crop protection chemicals. Willowood operates in India through Willowood Chemicals Limited (WCL).

The two entities – namely Willowood Chemicals Private Limited and Willowood Crop Sciences Private Limited – have been amalgamated with effect from April 1, 2020, vide an order dated December 29, 2021, with Shreeji Agchem Private Limited which has been subsequently renamed Willowood Chemicals Limited. A net impact of ~Rs. 690 crore has been recognised in the financials, which mainly includes ~Rs. 246 crore of goodwill and ~Rs. 480 crore of other intangibles (these are internally generated intangibles).

Key financial indicators (audited; consolidated)

WCL Consolidated	FY2024	FY2025	9M FY2026*
Operating income	1,797.7	2075.4	1,742.5
PAT	6.5	28.2	69.6
OPBDIT/OI	10.9%	12.3%	14.8%
PAT/OI	0.4%	1.4%	4.0%
Total outside liabilities/Tangible net worth (times)	0.99	1.19	
Total debt/OPBDIT (times)	4.33	4.31	
Interest coverage (times)	3.14	2.53	3.56

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; * Provisional numbers

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	April 28, 2026	Date & rating in FY2026		Date & rating in FY2025		Date & rating in FY2024	
				Date	Rating	Date	Rating	Date	Rating
Long term /Short term – Others – Fund based/Non-fund based	Long term/ Short term	786.00	[ICRA]A (Negative)/ [ICRA]A2+	Nov 12, 2025	[ICRA]A (Negative)/ [ICRA]A2+	Mar 28, 2025	[ICRA]A (Negative)/ [ICRA]A2+	Feb 13 ,2024	[ICRA]A (Stable)/ [ICRA]A2+
Fund-based-Term loan	Long Term	90.00	[ICRA]A (Negative)	-	-	-	-	-	-
Fund based/Non-fund based – Others	Long term	-	-	-	-	-	-	Apr 04, 2023	[ICRA]A (Positive)
		-	-	-	-	-	-	Feb 05, 2024	[ICRA]A (Stable)
Unallocated limits	Long term/Short term	-	-	-	-	-	-	Apr 04, 2023	[ICRA]A (Positive)/ [ICRA]A2+
		-	-	-	-	-	-	Feb 05, 2024	[ICRA]A (Stable)/ [ICRA]A2+

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (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 Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA

14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	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.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term – Fund based/Non-fund based - Others	Simple
Long-term - fund based – Term loan	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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term/Short term – Fund based/Non-fund based - Others	NA	NA	NA	786.00	[ICRA]A (Negative)/ [ICRA]A2+
NA	Long-term - Fund based – Term loan	NA	NA	NA	90.00	[ICRA]A (Negative)

Source: Company

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

Annexure III: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Willowood Chemicals Limited	100%	Full consolidation
Willowood (Hangzhou) Co. Ltd	Subsidiary	Full consolidation
Willowood Industries Private Limited	Subsidiary	Full consolidation
Willowood Agriscience Representacao Comercial Ltda	Subsidiary	Full consolidation
JDM Scientific Research Organisation Pvt. Ltd.	Subsidiary	Full consolidation
Margosa Biogrow (India) Pvt Ltd	Subsidiary	Full consolidation

Source: Company

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Branches



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