June 08, 2026

Willowood Industries Private Limited: Ratings reaffirmed and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term - Term loan	191.50	468.50	[ICRA]BBB+ (Negative); reaffirmed and assigned for enhanced amount
Long term/Short term: Fund based/Non-fund-based limits	207.50	182.50	[ICRA]BBB+ (Negative)/ [ICRA]A2; reaffirmed
Long term/Short term: Unallocated limits	2.00	0.00	-
Total	**401.00**	**651.00**	

**Instrument details are provided in Annexure II*

Rationale

The ratings assigned to the bank lines of Willowood Industries Private Limited (WIPL/the company) factor in the parentage of Willowood Chemicals Limited (WCL/the parent, rated [ICRA]A (Negative)/[ICRA]A2+) and WIPL's strategic importance to WCL as it operates an extended arm of its parent company.

WIPL benefits from the established customer relationships of WCL in the agrochemical industry and the parent's track record in the agrochemical industry spanning nearly three decades. WCL has also supported WIPL through regular equity infusion and unsecured loans to meet its debt servicing requirements, showcasing high sensitivity towards WIPL's financial health. ICRA notes that WCL is planning to merge WIPL with itself to streamline the operations and benefit from lower operating costs. While the plans are at a preliminary stage, ICRA will continue to monitor the developments on this front.

Additionally, WIPL has recently raised a Rs. 350-crore term debt, out of which Rs. 252 crores were used to repay the unsecured loans availed from WCL. The parent, in turn, has used the funds received to support its working capital requirements. The remaining proceeds of ~Rs. 98 crore have been utilised to replace the existing term loans and fund WIPL's working capital requirements. Given the low near-term repayment obligations on the recently raised term debt, WIPL's debt servicing requirements will remain lower than earlier, providing the company with adequate time to ramp up its operations over FY2027.

Further, the company has started selling a few new molecules where domestic manufacturing remains limited. Thus, WIPL expects to achieve a substantial growth in its revenues and profit in FY2027, which will remain a key monitorable.

The Willowood Group is present across the entire agrochemical value chain and has a healthy pool of patented and non-patented products. 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 are, however, constrained by a subdued ramp-up in WIPL's sales amid unfavourable global market conditions. Further, the company's operations remain vulnerable to agro-climatic risks, its working capital-intensive operations and the foreign exchange risks owing to the significant dependence on imports, particularly from China, for raw materials, especially active ingredients (AI). The company also remains exposed to regulatory risk as it manufactures agrochemicals which are hazardous in nature and are subject to the Government's stringent regulations.

ICRA notes that the ramp-up in WIPL's production and sales has been weak owing to the adverse market demand for the products manufactured by it. Nevertheless, the operating losses have been narrowing over the last couple of years; in 9M FY2026, WIPL posted an operating loss of Rs. 9.1 crore, as per the provisional financials. The pace of ramp-up of the facility and the company's ability to improve its profitability will remain a key monitorable.

The Negative outlook on the rating reflects ICRA's expectation that the parent's credit profile, although improving, will remain subdued in the near term and will gradually improve over the next 18 months. Additionally, WIPL will continue to be dependent on WCL for meeting its debt servicing requirements as the cash generation at WIPL's level will be inadequate to service the debt in the near to medium term.

Key rating drivers and their description

Credit strengths

Part of Willowood Group with promoters having extensive experience in agrochemical industry - WIPL is a part of the Willowood Group which has a long and established track record in the agrochemical industry. The Group 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 customer base in over 50 countries across Africa, Asia, Europe, Brazil, South America and North America and is involved in the production and distribution of pesticides and other crop protection chemicals around the globe.

Wide distribution network and diversified customer base - The Group is present across the agrochemical value chain. Further, WIPL's product portfolio includes several active ingredients (AIs) in insecticides, herbicides, fungicides, as well as plant growth regulator products. Over the years, the Willowood Group has established a wide distribution network with over 12,000 dealers/distributors across 18 states in India. The network is further supported by a team of in-house marketing executives and field assistants. The Group has also diversified into the B2C and B2B segments. Further, the Group has established long-term relationships with most of its customers and every year receives a large number of repeat orders from its existing customers.

Low offtake risks supported by captive consumption of production – WIPL serves as a backward integration for WCL's units, which reduces the offtake risk. WCL meets majority of its requirement for AIs through imports from China. Hence, the Group should benefit from the backward integration into manufacturing AIs or technicals as a major portion of WIPL's production is expected to be consumed within the Group.

Credit challenges

High dependence for procurement from China; any significant disruption can impact operations – WCL consolidated and WIPL procure a significant proportion of their raw materials from their affiliate companies based in Hong Kong and China. However, the sourcing of raw materials for AIs i.e. the intermediates is simpler because of the strong global presence of the Willowood Group. Additionally, the company imports directly from multinational companies as well as procures products from the domestic market from reputed customers. While China continues to maintain a major share in global agrochemical trade, there have been disruption in supplies in the past. Any significant disruption in supply from China can have an adverse impact on the Group's operations and profit margins.

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

Subdued ramp-up of the revenue and profits - WIPL had set up a manufacturing facility at Dahej, Gujarat, for manufacturing AIs. The project was divided into two phases and five plants. The first phase (plants I, III and IV) was commissioned in December 2022, though commercial production was delayed by six months, while the second phase (plants II and V) was commissioned in December 2023. WIPL has been posting operating loss since FY2024 although the operating losses have narrowed and stood at Rs. 1.3 crore in H1 FY2026 (as per provisional financials). The operating losses were caused by the adverse demand and pricing environment for the products manufactured by WIPL, resulting in weak gross margins. The operating loss also did not allow WIPL to absorb the fixed overheads. Going forward, the performance is expected to improve gradually with a ramp-up in sales, though WIPL will continue to rely on WCL for majority of its funding requirements.

Liquidity position: Stretched

WIPL's liquidity position remains stretched, given the operating losses incurred by the company and the increased working capital requirements. Nevertheless, the financial support from the parent, WCL, in the form of unsecured loans to fund the operating losses and debt servicing requirements, the margin funding for incremental working borrowings and the availability of working capital limits provide liquidity comfort. ICRA expects WCL to continue to extend support to WIPL, in line with the demonstrated track record.

Rating sensitivities

Positive factors – The outlook maybe revised to Stable and/or the ratings may be upgraded if there is a sustained improvement in WIPL's cash generation that would enhance the liquidity profile and improve the leverage and coverage metrics. The ratings may also be upgraded if the credit profile of the parent i.e. WCL improves.

Negative factors – Pressure on the ratings may arise if there is any significant deterioration in the scale of operations and profit margins, or any stretch in the company's working capital position that would weaken the liquidity position. Further, any deterioration in the debt metrics owing to any large debt-funded capex/investments will weigh on the ratings. The ratings may also be downgraded if the credit profile of parent WCL weakens and/or the linkages with the parent weakens.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Agrochemicals
Parent/Group support	Group company: Willowood Chemicals Limited The ratings consider the likelihood of the parent, WCL, extending support to WIPL, should the need arise. The analyst has followed a parent support uplift approach while rating WIPL's bank lines with WCL as the parent. WIPL is a wholly-owned subsidiary of WCL
Consolidation/Standalone	Standalone

About the company

M/s Willowood Industries Private Limited (WIPL) is a private limited company registered on March 4, 2020. WIPL is a part of the Willowood Group which started its operations from Hong Kong in 1991 and gradually expanded to other countries, including India, China, USA and Africa.

The Group has set up a production facility for active ingredients (AIs) at Dahej (Gujarat) under WIPL, which is a wholly-owned subsidiary of WCL. The project was implemented in two phases and five plants. The first phase (Plants - I, III and IV) was commissioned in December 2022, though the commercial production was delayed by six months, while the second phase (Plants – II and V) was commissioned in December 2023. WIPL has an installed capacity of 15.5 TPD, and plans to manufacture 25 products at present and expand the portfolio to 35-40 products.

Key financial indicators (audited)

WIPL (Standalone)	FY2024	FY2025	9M FY2026*
Operating income	112.2	274.0	261.9
PAT	-102.3	-113.6	-94.4
OPBDITA/OI	-34.6%	-4.2%	-3.5%
PAT/OI	-91.2%	-41.5%	-36.1%
Total outside liabilities/Tangible net worth (times)	2.8	2.2	-
Total debt/OPBDITA (times)	-13.0	-43.6	-
Interest coverage (times)	-2.7	-0.3	-0.3

*Source: Company, ICRA Research; * Provision Numbers; All ratios as per ICRA's calculations; Amount in Rs. crore*

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

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; * Result; 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 rating (FY2027)			Chronology of rating history for the past 3 years							
	Type	Amount rated (Rs. crore)	08-Jun-26	Date & rating in FY2027		Date & rating in FY2026		Date & rating in FY2025		Date & rating in FY2024	
				Date	Ratings	Date	Rating	Date	Rating	Date	Rating
Long term/ Short term – Unallocated - Unallocated	Long term/ Short term	0.00	-	Apr-28-2026	[ICRA]BBB+ (Negative)/ [ICRA]A2	Nov-12-2025	[ICRA]BBB+ (Negative)/ [ICRA]A2	Mar-28-2025	[ICRA]BBB+ (Negative)/ [ICRA]A2	Jun-26-2023	[ICRA]BBB+ (Stable)/ [ICRA]A2
				-	-	-	-	-	-	Feb-05-2024	[ICRA]BBB+ (Stable)/ [ICRA]A2
Long term - Term loan – Fund based	Long term	468.50	[ICRA]BBB+ (Negative)	Apr-28-2026	[ICRA]BBB+ (Negative)	Nov-12-2025	[ICRA]BBB+ (Negative)	Mar-28-2025	[ICRA]BBB+ (Negative)	Jun-26-2023	[ICRA]BBB+ (Stable)
				-	-	-	-	-	-	Feb-05-2024	[ICRA]BBB+ (Stable)
Long term/ Short term – Others – Fund-based/ Non-fund based	Long term/ Short term	182.50	[ICRA]BBB+ (Negative)/ [ICRA]A2	Apr-28-2026	[ICRA]BBB+ (Negative)/ [ICRA]A2	Nov-12-2025	[ICRA]BBB+ (Negative)/ [ICRA]A2	Mar-28-2025	[ICRA]BBB+ (Negative)/ [ICRA]A2	Jun-26-2023	[ICRA]BBB+ (Stable)/ [ICRA]A2
				-	-	-	-	-	-	Jun-26-2023	[ICRA]BBB+ (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 fund based – Term loan	Simple
Long term/Short term: Fund based/Non-fund based limits	Simple
Long term/Short term: Unallocated limits	NA

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	**Term loan**	FY2022	NA	FY2029	468.50	[ICRA]BBB+ (Negative)
NA	**Fund-based/Non-fund based limits**	NA	NA	NA	182.50	[ICRA]BBB+ (Negative)/ [ICRA]A2

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis – Not Applicable

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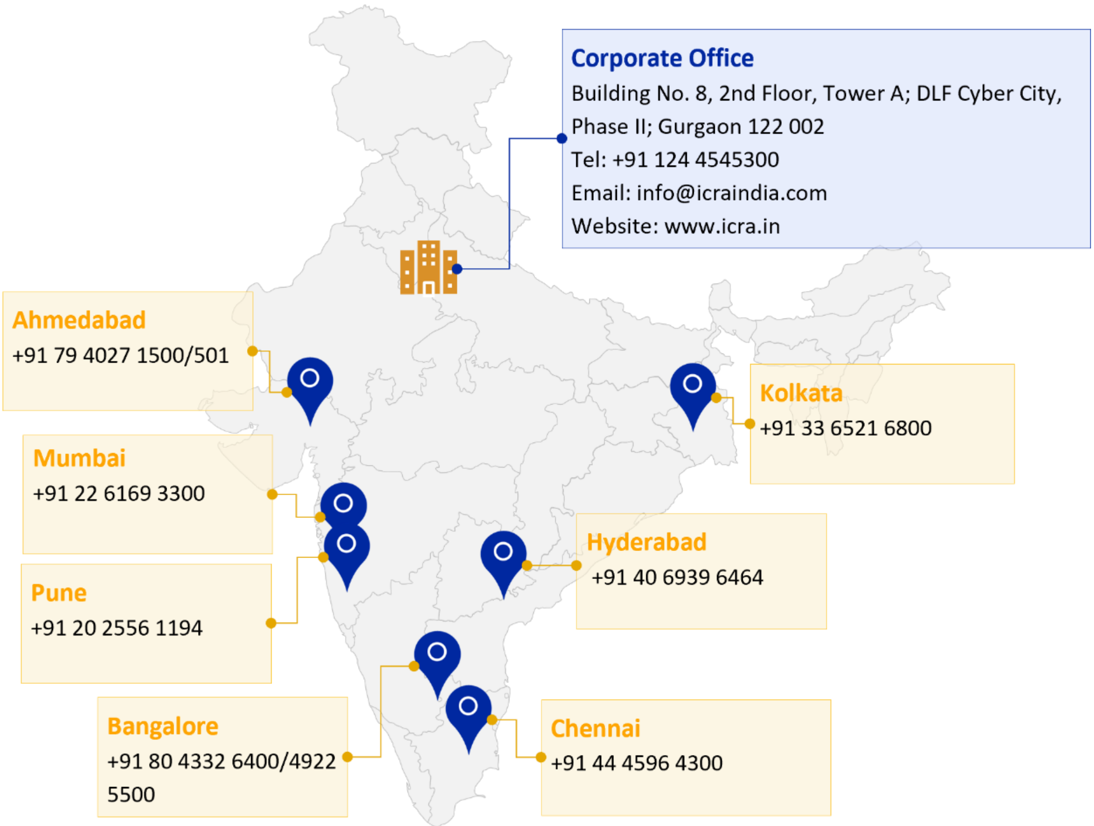

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