

October 31, 2025^(Revised)

Indogulf Cropsciences Limited: Ratings upgraded to [ICRA]A- (Stable)/[ICRA] A1 and removed from Issuer Not Cooperating; rated amount enhanced

Summary of rating action

Instrument ^A	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term –Fund based – Cash credit	128.00	145.00	[ICRA]A- (Stable); Rating upgraded from [ICRA]BB+ (Stable); Issuer Not Cooperating; and removed from Issuer Not Cooperating category; assigned for enhanced amount
Short term –Non-fund based –Letter of credit	69.00	72.00	[ICRA]A1; Rating upgraded from [ICRA]A4+; Issuer Not Cooperating; and removed from Issuer Not Cooperating category; assigned for enhanced amount
Total	197.00	217.00	

^AInstrument details are provided in Annexure-I

Rationale

ICRA has upgraded the ratings of Indogulf Cropsciences Limited (ICL) to [ICRA]A- (Stable)/ [ICRA]A1 from [ICRA]BB+ (Stable); Issuer Not Cooperating/ [ICRA]A4+; Issuer Not Cooperating; and removed the ratings from the Issuer Not Cooperating category.

The upgrade in rating factors in ICRA's expectation of an improvement in the credit profile of Indogulf Cropsciences Limited (ICL) following the equity infusion through the initial public offering (IPO). With the infusion of Rs. 160 crore, there will be a reduction in total debt, leading to a substantial improvement in the capital structure and a lowering of interest costs, which will translate into improved coverage indicators as well. Further, ICRA expects the company to report healthy growth in turnover in FY2026, driven by expansion into new regions and deeper penetration in existing markets, along with steady operating margins.

The ratings continue to factor in the established position of ICL in agrochemicals and the extensive experience of its promoters in the industry. The ratings also take into account its diversified product portfolio, comprising crop nutrients, plant nutrients and biologicals. The ratings further factor in the backward integration into the manufacturing of technicals, which is expected to provide raw material security as well as enhance contribution levels. The operating margins have improved over the years, leading to comfortable cash flow generation.

The credit profile remains comfortable, as evident from its healthy capital structure (gearing of 0.8 times as on March 31, 2025) and adequate debt coverage metrics (interest cover of more than 4 times and debt/OPBDITA of 3.3 times for FY2025). These metrics are expected to improve in the current fiscal as funds raised through the IPO have been used to retire term debt of Rs. 34 crore (availed to fund the capex of the formulation plant at Sonipat). ICRA also takes note of the company's capex plan to set up a new formulation plant at Sonipat, which will enhance its capacity by roughly 50%, and to establish a new dry flowable unit that is likely to commence operations in Q1 FY2027.

However, the ratings are constrained by the elongated working capital intensity of the business, necessitating reliance on external borrowings. The receivables and inventory levels have remained elevated and are likely to remain the same going forward. The ratings also factor in the intense competition in the industry, which limits the pricing flexibility of industry participants, including Indogulf, and the susceptibility of operations to any adverse regulatory developments related to the

manufacturing or sale of agrochemicals or any discontinuation of tie-ups with international technical manufacturers. Moreover, the company's revenues and profitability remain vulnerable to agro-climatic conditions, volatility in raw material prices, and foreign exchange rate movements, as a part of the raw material requirement is met through imports.

The stable outlook on the rating reflects ICRA's expectation that the company's credit profile will improve going forward, driven by funds raised from the IPO, growth from the new plant, and healthy cash generation, despite the elevated working capital cycle.

Key rating drivers and their description

Credit strengths

Strong track record of operations, sizeable scale of operations, established brand name – The company has an established operational track record, and its promoters have extensive experience spanning more than four decades in the agrochemical industry. The Group commenced operations in 1954 and is promoted by the Agarwal family. The promoter had five sons, each of whom was assigned a separate company. Insecticides India Limited, HPM Chemicals and Fertilizers Limited, Ichiban Crop Science Limited and Crystal Crop Protection Limited are the other companies within the Group.

Well-diversified product portfolio and geographical presence – The company has a well-diversified portfolio across product segments (i.e. insecticides, herbicides, etc.) as well as across crops. It also has a well-entrenched distribution network across the country. As a result, ICL's performance is largely insulated from the poor performance of any particular crop or region.

Comfortable financial profile – The company's financial risk profile remains comfortable, characterised by healthy cash generation. The capitalisation and coverage metrics have remained adequate, with gearing levels of 0.8 times in FY2025. The interest coverage ratio also remained at a comfortable level of 4.2 times in FY2025. These metrics are expected to witness material improvement in the current fiscal following the successful completion of the IPO.

Expected benefits of new dry flowable unit and from capacity expansion of existing formulation plant; project execution risks remain – The company has set up a formulation manufacturing plant at Sonipat with a total capital outlay of Rs. 70 crore, which is likely to commence operations in Q1 FY2027. The plant will lead to capacity addition of ~50% to ICL's existing capacity. The company is also setting up another dry flowable unit with a planned outlay of Rs. 14 crore, which will be funded from the IPO proceeds. The new plant will provide an additional revenue stream. Thus, ICRA expects the company to start deriving the benefits of backward integration, the new formulation plant, and the dry flowable unit from FY2027.

Credit challenges

Highly competitive intensity limits pricing flexibility – The intensely competitive and fragmented agrochemical industry exerts pricing pressure and necessitates continuous marketing and branding expenditure. Nevertheless, the company benefits to an extent from the promoter's experience of more than four decades.

Operations vulnerable to varying agro-climatic conditions and regulatory risks – The company's sales and profitability remain susceptible to agro-climatic conditions, the development of pest-resistant genetically modified (GM) seeds, and the regulatory risks inherent in the business. In October 2023, the Government of India officially banned four pesticides, namely, dicofol, dinocap, methomyl, and monocrotophos. The remaining 24 pesticides from the original 2020 draft list remain under regulatory review, creating ongoing uncertainty for agrochemical companies such as ICL.

Exposure to fluctuations in raw material prices and foreign exchange volatility – The lack of backward integration into technical manufacturing and dependence on imports for 25-30% of its raw material requirements expose the company's profit margins to volatility in raw material prices and foreign exchange rates.

High working capital intensity – Given the seasonality inherent in demand, a diverse product portfolio, dependence on imports for raw materials, and a wide distribution network across the country, the company needs to maintain high raw material and finished goods inventory. This has continued to result in high working capital intensity.

Liquidity – Strong

The company’s liquidity position is strong, supported by comfortable internal accrual generation and cushion in the working capital limits. Going forward, despite elevated working capital intensity, the liquidity position is expected to remain comfortable, driven by healthy cash generation.

Rating sensitivities

Positive factors - The ratings can be upgraded if the company demonstrates significant revenue growth, accompanied by healthy cash generation, moderation in working capital intensity, and limited reliance on debt.

Negative factors - The ratings could be revised downwards if there is a considerable decline in revenue or pressure on profit margins. Moreover, a further elongation in the working capital cycle or sizeable debt-funded capex may put pressure on the liquidity position and result in a downward revision of the ratings.

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 ICL; as on June 30, 2025, the company had two subsidiaries (enlisted in Annexure-II)

About the company

Incorporated in 1993, Indogulf Crop Sciences Limited (formerly known as Jai Shree Rasayan Udyog Ltd) is a manufacturer and exporter of agrochemicals, including crop nutrients, technical and formulations and other pesticides, in India. It has a distribution network that covers the domestic market and exports to Asia, Africa, Latin America and West Asia. Its product basket includes micronutrients, pesticides, fertilisers, insecticides, fungicides, herbicides and plant growth regulators. It has four manufacturing units, one technical unit and two formulation plants in Haryana and one formulation plant in Jammu. ICL is promoted by Mr. Om Prakash Aggarwal and other family members.

Key financial indicators

	FY2024	FY2025	Q1FY2026
Operating income	573.9	621.3	185.1
PAT	28.7	31.5	3.0
OPBDITA/OI	10.6%	11.1%	4.7%
PAT/OI	4.9%	5.1%	1.6%
Total outside liabilities/Tangible net worth (times)	1.3	1.5	-
Total debt/OPBDITA (times)	2.6	3.3	-
Interest coverage (times)	4.1	4.2	2.4

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: None

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)	Oct 31, 2025	Date	Rating	FY2025		FY2024		FY2023	
						Date	Rating	Date	Rating	Date	Rating
Fund based – Cash credit	Long Term	145.00	[ICRA]A- (Stable)	Sep 05, 2025	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	Oct 30, 2024	[ICRA]BBB+ (Stable)	Jul 11, 2023	[ICRA]BBB+ (Stable)	-	-
Non-fund based – Letter of credit	Short Term	72.00	[ICRA]A1	Sep 05, 2025	[ICRA]A4+; ISSUER NOT COOPERATING	Oct 30, 2024	[ICRA]A2	Jul 11, 2023	[ICRA]A2	-	-
Fund-based limits	Short Term	-	-	-	-	-	-	Jul 11, 2023	[ICRA]A2	-	-
Fund-based – Term loan	Long Term	-	-	-	-	-	-	May 18, 2023	[ICRA]BBB+ (Stable)	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term – Fund based – Cash credit	Simple
Short term – Non-fund based – Letter of credit	Very 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	Fund based – Cash credit	NA	NA	NA	145.00	[ICRA]A- (Stable)
NA	Non-fund based – Letter of credit	NA	NA	NA	72.00	[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	ICL Ownership	Consolidation Approach
Abhiprakash Globus Private Limited	100.00%	Full Consolidation
Indogulf Cropsciences Australia PTY Limited	100.00%	Full Consolidation

Source: Company

Corrigendum:

Document dated October 31, 2025, has been corrected with revisions as detailed below:

Revisions on page number 3 under “Liquidity”. Liquidity revised to “Strong” from “Adequate”.

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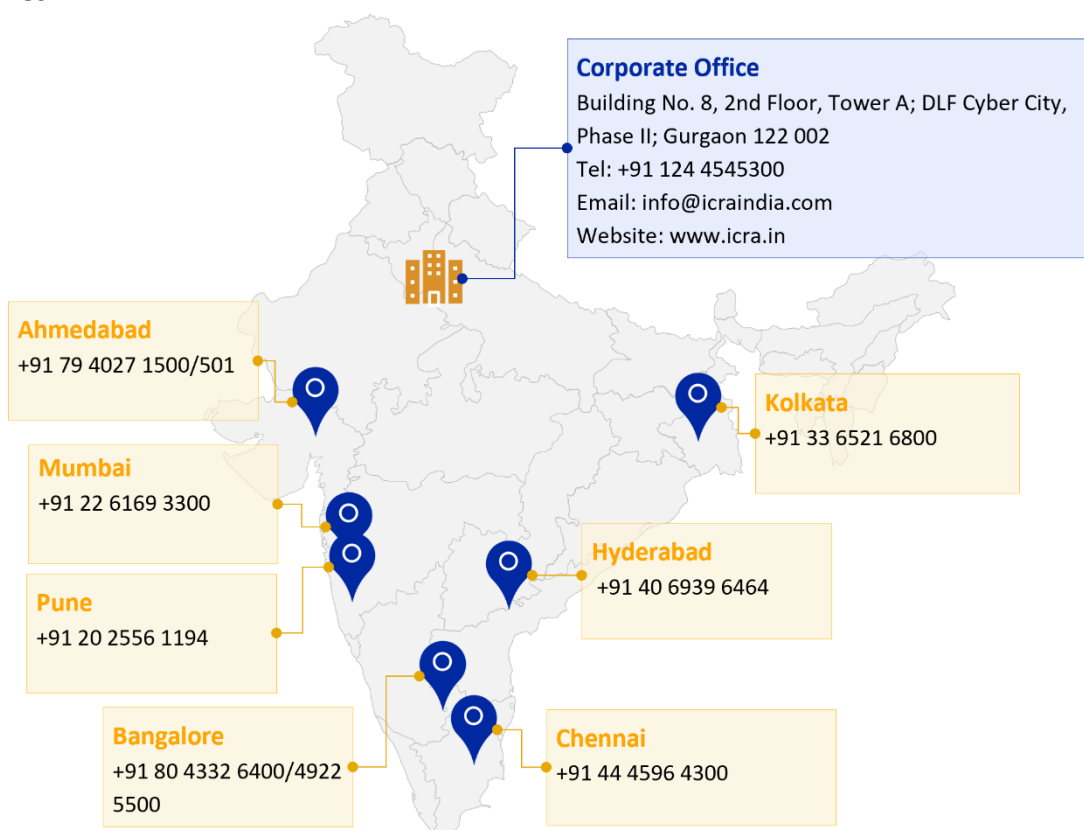
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