

Indo American Hybrid Seeds India Private Limited

July 29, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	49.19	CARE BB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Rating assigned to bank facilities of Indo American Hybrid Seeds India Private Limited (IAHS) continues to consider its modest scale of operations, volatility in business and a highly competitive industry with established players. IAHS maintains a satisfactory capital structure following sale of its land parcel in Hyderabad, proceeds of which, were primarily used to fund working capital requirements, in line with increasing scale of operations. After incurring operating losses in FY22 and FY23, the company's profitability turned around since FY24, which can be attributed to implementing improved agricultural practices.

The rating derives strength from consistent improvement in sales and financial risk profile. It continues to factor in long track record of operations of over five decades, experienced management in the Indian seed industry, diversified geographical reach and product range.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increasing scale of operations beyond ₹200 crore, while maintaining operating profit margins beyond 9% on a sustained basis

Negative factors

- Significantly declining TOI or profitability by more than 20% y-o-y
- Increasing overall gearing above 1.20x.

Analytical approach: Standalone

Outlook: Stable

Stable Outlook reflects CARE Ratings Limited (CareEdge Ratings) expectation that the company would be able to sustain its improved profitability margins aided by higher demand for its products.

Detailed description of key rating drivers:

Key weaknesses

Exposure to agro climatic risk and stiff competition from established players

The industry heavily depends on agricultural cycles, which are influenced by unpredictable factors such as weather conditions, pest outbreaks, and diseases. It highly depends on monsoon pattern. It has a considerable presence of MNC's lead by Monsanto, DuPont, Syngenta, and Nunhems India, among others, who have strong distribution network and carryout continuous R&D. The market is dominated by large domestic companies (Nuziveedu Seeds Private Limited, Rasi Seeds, and Kaveri Seeds, among others) with large resources, strong distribution networks & R&D facilities.

Modest scale of operations

While the income levels of the company increased from Rs. 152.9 crore in FY24 to Rs. 158.7 crore in FY25, it continues to remain modest. While the networth base of the company stood at Rs. 53 crore as on March 31, 2025, the build up was primarily due to profit from sale of land parcel during FY22 and FY23. Company's ability to improve its scale of operations and profitability at envisaged levels would be key to its prospects.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Key strengths

Diversified geographical reach and product range

Due to long presence in the industry, the company has operations across India with a distribution network of around 1300 distributors. Having long track record of operations in India, it has a strong brand recognition. Company primarily deals with hybrid seeds of chilli, tomato, capsicum, okra, cabbage, cauliflower, bitter gourd, bottle gourd, watermelon, cucumber rice, cotton and maize and open pollinated crops such as onion, peas, spinach, and rice, all types of ornamental plants and marigold.

Consistent improvement in sales

The company is witnessing consistent sales growth. After reporting sales increase of 26% in FY24, it reported 4% growth in FY25. The company undertook dedicated promotional campaigns, adoption of improved agricultural practices and added several new clients to its portfolio.

Improving financial risk profile though sustenance to be seen

The company's operating profitability have been volatile in the past and is exposed to vagaries of nature and high fixed costs associated with the business. Profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin increased to 5.16% in FY25 (PY: 2.25%), aided by increased scale of operations. As such, the company has taken measures to enhance seed quality and processing, which is likely to sustain improved operating profitability.

Capital structure of IAHS is moderate marked by improvement in overall gearing to 0.78x as on Mar 31, 2025 (PYE: 0.82x). Debt coverage indicators, marked by PBILDT Interest coverage, has improved to 2.59x in FY25 (PY: 1.02) on account of improvement in operating profitability.

Liquidity: Stretched

The company's liquidity is constrained by seasonality involved in the business which requires it to maintain sufficient cash reserves for fixed payments during off season and therefore is prone to cashflow mismatches. Nevertheless, IAHS managed to reduce its operating cycle to 177 days in FY25 (FY24: 190 days, FY23: 234 days). The average working capital utilisation for its fund-based facilities is 78.58% for the 12-months ended March 2025. The company had cash and cash equivalent of ₹0.89 crore as on June 30, 2025.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products

IAHS was established as Proprietary concern by Dr Manmohan Attavar in 1965. Based in Bengaluru, the firm reconstituted as a private limited company in 1997. It primarily develops and markets hybrid seeds – vegetables and field crops, and ornamental plants. It roughly owns 200 acres of land spread across Ranebennur, Bengaluru and operates in another 5000 acres of land on contractual basis.

The company offers three different segments of products – Ornamental plants, field crop seeds and vegetable crop seeds.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)	June 30, 2025 (UA)
Total operating income	152.96	158.66	101.67
PBILDT	3.44	8.18	NA
PAT	28.92	3.51	NA
Overall gearing (times)	0.82	0.78	NA

Interest coverage (times)	1.02	2.59	NA
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A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: CRISIL has continued to place the ratings of IAHS under INC per PR dated September 16, 2024, as the company has not provided information.

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	37.62	CARE BB+; Stable
Fund-based - LT-Term Loan	-	-	-	July 2033	5.63	CARE BB+; Stable
Fund-based - LT-Working Capital Demand loan	-	-	-	-	2.40	CARE BB+; Stable
Fund-based - LT-Working capital Term Loan	-	-	-	March 2026	3.54	CARE BB+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT- Cash Credit	LT	37.62	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Dec-24) 2)CARE BB+; Stable (01-Jul-24) 3)CARE B; Stable; ISSUER NOT COOPERATING * (28-May-24)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (15-Mar-23)
2	Fund-based - LT- Proposed fund based limits	LT	-	-	-	1)Withdrawn (01-Jul-24) 2)CARE B; Stable; ISSUER NOT COOPERATING * (28-May-24)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (15-Mar-23)
3	Fund-based - LT- Working Capital Demand loan	LT	2.40	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Dec-24) 2)CARE BB+; Stable (01-Jul-24) 3)CARE B; Stable; ISSUER NOT COOPERATING * (28-May-24)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (15-Mar-23)
4	Fund-based - LT- Working capital Term Loan	LT	3.54	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Dec-24) 2)CARE BB+; Stable (01-Jul-24)	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (15-Mar-23)

						3)CARE B; Stable; ISSUER NOT COOPERATING * (28-May-24)		
5	Fund-based - LT- Term Loan	LT	5.63	CARE BB+; Stable	-	1)CARE BB+; Stable (06-Dec-24)	-	-

*Issuer did not cooperate; based on best available information.

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT-Working Capital Demand loan	Simple
4	Fund-based - LT-Working capital Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Karthik Raj K Director CARE Ratings Limited Phone: +91-80-4662 5555 E-mail: karthik.raj@careedge.in
Relationship Contact Saikat Roy Senior Director CARE Ratings Limited Phone: +91-22-6754 3404 E-mail: saikat.roy@careedge.in	Himanshu Jain Associate Director CARE Ratings Limited Phone: +91-80-4662 5528 E-mail: himanshu.jain@careedge.in
	Sahil Kulkarni Rating Analyst CARE Ratings Limited E-mail: Sahil.kulkarni@careedge.in

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