

India Pesticides Limited

October 09, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	80.00	CARE A+; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	80.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of India Pesticides Limited (IPL) continue to derive strength from extensive experience of promoters and management team in pesticides industry and strong competitive position of the company for some of its molecules in domestic and international markets. Ratings also continue to take comfort from strong financial risk profile with comfortable liquidity position, and improvement in scale of operations in FY25 (refers to April 01 to March 31), diversified product offerings in technical business and reputed, though concentrated, customer base. Ratings also take cognisance of ongoing capex plans within the company and the wholly owned subsidiary, which is expected to start commercial operations in second half of FY26. The entire project, till date, has been financed from internal accruals generated from IPL.

However, ratings continue to remain constrained by customer concentration risk, exposure to fluctuation in raw material prices and foreign currency exchange rates as majority raw material is imported, though some part of the exposure is covered through natural hedge. Ratings also continue to remain constrained by the working capital intensive business operations, vulnerability to agro-climatic conditions and inherent regulatory risk associated with the business.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increasing scale of operations marked by total operating income (TOI) of ₹1000 crore or above while maintaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin at 20% and above on a sustained basis.
- Efficiency in working capital management resulting in operating cycle below 125 days.
- Diversifying overall product portfolio resulting into lower concentration on top two products.

Negative factors

- Significantly increasing working capital cycle on a sustained basis impacting IPL's liquidity profile.
- Deteriorating in financial risk profile marked by overall gearing above 0.40x or total debt (TD)/PBILDT above 1.00x.
- Sharply declining revenue growth and fall in PBILDT margins below 14.5% on a sustained basis, materially impacting cash generation.

Analytical approach: Standalone, factoring support provided to group companies in terms of investment, loans and advances.

Outlook: Stable

The Stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) opinion that the company will continue to benefit from extensive experience of promoters, diversified product portfolio in technical business, long track record of operations, and reputed clientele.

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

Detailed description of key rating drivers:

Key strengths

Promoter's long-standing experience in the pesticides industry

IPL is promoted by Anand Swarup Agarwal, a first-generation entrepreneur. He has four decades of experience in the pesticides industry and is supported by an experienced team of professionals. He was the chief editor of Hindi Daily "Rashtriya Swarup" published by Swarup Publications (a group company) and a former director on the board of PNB Gilts Limited. He has also served as non-executive director of Punjab National Bank. Anand Swarup Agarwal is assisted by his two sons Vishal Swarup Agarwal and Vishwas Swarup Agarwal, with post graduate qualification in Business Administration. The company has long standing association with the stakeholders' customers, and suppliers, among others. Most of the company's sales are institutional, made to companies with prominent presence in domestic and international markets.

Diversified product portfolio

IPL has ~28-30 molecules (technical) registered in India. The domestic product portfolio is dominated by a few off patent old generic molecules, leading to moderate sales concentration risk. The company is continuously investing in its research and development capabilities to develop new molecules, which are expected to reduce its dependence on old molecules. IPL has also registered its products (Captan and Folpet) for exports in 25 countries, majorly across Europe, Asia and Australia, which is a step towards reducing the company's dependence on domestic markets. The company has a distribution network consisting of over 4700 dealers with 20+ sales depots and sales force in place for marketing across Gujarat, Rajasthan, Maharashtra, Andhra Pradesh, Madhya Pradesh, Punjab, Haryana, and Uttar Pradesh, among others.

Comfortable financial risk profile, with improvement in scale of operations and profitability in FY25

The company's financial risk profile continues to be strong, characterised by overall gearing of 0.06x as on March 31, 2025, against 0.02x as on March 31, 2024. Interest coverage ratio remains healthy at 30.23x for FY25 (PY: 23.89x). TD/PBILDT and TD to gross cash accruals (TD/GCA) moderated to 0.44x & 0.54x respectively in FY25 from 0.22x and 0.24x respectively in FY24, largely due to incremental working capital utilisation at year end.

Scale of operations improved in FY25 by 22%, with TOI at ₹834.25 crore against ₹684.08 crore FY24. The improvement was majorly considering demand recovery, primarily from export markets. The company's major clients earlier deferred their orders due to channel destocking and pricing pressure from China's re-entry into the market; however, these orders were fulfilled in FY25. In FY24, the company had to book inventory losses due to low orders which led to decline in margins. In FY25, there were no inventory losses resulting in improvement in profitability, with PBILDT at 15.08% against 13.23% in FY24.

Capacity expansion within the company, financed entirely from internal accruals

The company is continuously doing research and developing new molecules and expanding capacities, when required. In Q1 FY26, the company completed capacity expansion in technical and formulation segments, with technicals capacity increasing from 24,200 MTPA to 28,200 MTPA, and formulations from 6,500 MTPA to 10,000 MTPA. Capex of ~₹60 crore was incurred in FY25, whereas similar level is expected for FY26 as well, with technicals capacity expected to reach 30,700 MTPA by year-end. Entire capex is being financed from internal accruals only with no long-term debt availed in the company.

The company earlier incorporated Shalvis Specialities Limited (SSL), as a wholly owned subsidiary company on January 18, 2021. SSL has acquired 25 acres of land in Sumerpur Industrial Area of Hamirpur District in Bundelkhand region and is getting ready for green field project for a multiple products manufacturing within the agro-chemicals segment only. The plant is in final stages of completion and commercial operations are expected to begin by Q4 FY26. The entire project, till date, has been financed from internal accruals generated from IPL.

Key weaknesses

Working capital intensive business

In FY25, the company's operating cycle improved to 192 days, from 211 days in FY24, however, continues to remain elongated. This was largely due to the working capital intensive operations in pesticides industry, where inventory requirement generally remains high considering commoditised nature of products and seasonality factor (high demand in crop sowing seasons). The company must allow higher credit period for newly launched products to generate demand initially, which also results receivable days remaining on the higher side.

Customer concentration risk and exposure to fluctuations in raw material prices

In FY25, the company had a total net sale of ~₹834 crore, of which ~30% (PY: ~28%) was made to top five customers. Customer concentration risk remains moderate and continues at similar level as last year. In Q1FY26, the percentage increased slightly to 35% and is expected to continue in the near-to-medium term.

Exposure to foreign currency fluctuation risk

IPL's products are registered in over 25 countries across the globe. The company generated ~38% revenue from exports in FY25, which exposes it to inherent risk of foreign exchange fluctuation. However, IPL imports some portion of its raw material requirement, which provided a natural hedge to some extent. The company majorly imports Tetra Hydro Phthalic Anhydride (THPA), Ammonium Thiocyanate, Di N Propylamine and Cyano Acetyl Ethyl Urea from mainly Taiwan and China. Though company has a hedging policy in place, total exports sales have been higher than raw materials imported and in the last few years the rupee has been on declining trend. In FY25, the company booked a net forex gain of ₹5.22 crore (net forex gain of ₹3.45 crore in FY24).

Liquidity: Strong

The company's liquidity is strong supported by free cash and cash equivalents balance of ~₹75 crore as on September 27, 2025, which includes investment in mutual funds and free FDRs. The company has sanctioned fund-based working capital limits of ₹80.00 crore and the average monthly fund-based working capital utilisation for 12-months ending August 2025 stood ~35%. The company has negligible repayment obligation going forward against expected healthy GCA of ~₹132 crore for FY26. The company has planned capex of ~₹158 crore in the next three financial years, which will be completely funded through internal accruals.

Environment, social, and governance (ESG) risks

Risk factors	Compliance and actions by the company
Environmental	<p>1. IPL has a guiding principle 'Care the World with Care', in every facet of our business operations. This principle, rooted in our core values, shapes our policies and optimises operational efficiencies while enhancing the economic and social conditions of our communities.</p> <p>2. IPL works on 5Rs principles - Reduce, Reuse, Repair, Recycle, Recover - applied on material usage and systems help us to control our waste.</p> <p>3. Company's sustainability initiatives aim to create a positive impact on both our operating environment as well as our global environment at large.</p> <p>4. Swarup Nursery Seed bank have been developed by involving & training the youth and children in adopted villages.</p> <p>5. Within its production facilities, the company has implemented advanced systems such as Effluent Treatment Plant (ETP), Multiple Effect Evaporator (MEE), Reverse Osmosis (RO) and Spray Driers and diligently follows the 5Rs principle to systematically minimise environmental waste at all organisational levels.</p> <p>6. One of the significant steps involve conducting a comprehensive energy assessment carried out by external experts to identify areas for improvement. The company ensures sustainable energy supply by relying solely on biomass for heat and steam generation and expanding solar power utilisation.</p>
Social	<p>1. Nutritional supply for poor children in government hospitals; Financial support for poor patients on their critical illness treatment; Delivering medicines for poor patients in hospitals when they are reported as needy; Installing Water Coolers and Drinking Water Filters in Government hospitals during summer and distributing warm blankets for poor & handicapped during winter.</p> <p>2. Targeted to mobilise sustainability related topics, discussions, activities and training programs for the youth and children in villages. Achieved through refurbishing old dilapidated building as 'Swarup Kaushal Vikas Kendra' in 'Aspirational Block - Sandila' in Hardoi district. Children, Youth as well as elders from 4 adopted villages surrounding the factory were/are engaged through planned interactive programs on Health & Hygiene, Environmental Education & Climate Action, Regular Education & Skill Development, Financial Literacy & Livelihood Education, Women & Youth Empowerment, Renewable Energy & Green Livelihoods, and Community Infrastructure & Participation.</p> <p>3. IPL's CSR project Chuppi Tod; Halla Bol aims on combating the menace in our society - child sex abuse. We targeted to widen the scope of the project, which we achieved through multiple initiatives in 2024-25. We established sixth Child Friendly Centre, in Sursa Police Station. Expanded the awareness on POCSO to those children who are visually impaired and more vulnerable to such abuses than normal children. The project delivered India's first POCSO Training Module for the Blind and Cartoon Books on POCSO both for children and teachers were unveiled through Minister for Primary Education in UP.</p>
Governance	<p>1. Progressing on ESG front through Materiality Assessment and implementing systems & practices with guidance from board of directors.</p> <p>2. Recognizing diverse board that leverages a wide range of information, professional experiences, expertise, qualifications, skills and perspectives.</p> <p>3. Encouraging diversity for improving decision-making processes and the ability to adapt to a dynamic environment.</p>

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Pesticides & Agrochemicals](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Fertilizers & agrochemicals	Pesticides & agrochemicals

IPL was established in 1984, became public limited company in 1993 and was listed on stock exchanges in July 2021. IPL is engaged in manufacturing pesticides (technical & formulations) and pharmaceutical intermediates. IPL's products are well-established in Indian and international markets. As of June 30, 2025, the aggregate installed capacity of the company's manufacturing facilities for agro-chemical Technical was 28,200 MT and Formulations was 10,000 MT, with Technical capacity expected to increase further to 30,700 MT by FY26-end.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	Q1-FY26 (UA)
Total operating income	684.08	834.25	275.41
PBILDT	90.53	125.77	45.64
PAT	61.23	84.39	35.38
Overall gearing (times)	0.02	0.06	NA
Interest coverage (times)	23.89	30.23	25.50

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not applicable

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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-Working Capital Demand loan		-	-	-	80.00	CARE A+; Stable / CARE A1+
Non-fund-based - ST-BG/LC		-	-	-	80.00	CARE A1+

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/ ST-Working Capital Demand loan	LT/ST	80.00	CARE A+; Stable / CARE A1+	-	1)CARE A+; Stable / CARE A1+ (07-Oct-24)	1)CARE A+; Stable / CARE A1+ (04-Sep-23)	1)CARE A+; Stable / CARE A1+ (06-Oct-22)
2	Non-fund-based - ST-BG/LC	ST	80.00	CARE A1+	-	1)CARE A1+ (07-Oct-24)	1)CARE A1+ (04-Sep-23)	1)CARE A1+ (06-Oct-22)

ST: Short term; LT/ST: Long term/Short 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/ ST-Working Capital Demand loan	Simple
2	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender detailsTo view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge 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.

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