

## Advance Agrolife Limited

March 25, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	100.89 (Enhanced from 92.09)	CARE BBB+; Stable	Upgraded from CARE BBB; Stable
Long-term / Short-term bank facilities	6.00	CARE BBB+; Stable / CARE A3+	Assigned
Short-term bank facilities	0.20	CARE A3+	Assigned
Short-term bank facilities	6.00	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Revision in ratings assigned to bank facilities of Advance Agrolife Limited (AAL) considers its growing scale of operations and comfortable financial risk profile. Ratings continue to derive comfort from the vast experience of promoters in the pesticides and agrochemical industry, its diversified product profile and reputed customer base and adequate liquidity.

However, ratings are constrained considering moderate profitability, concentrated customer base, and its presence in a competitive agrochemical industry. Ratings also remained constrained considering profitability susceptible to inherent regulatory and climatic conditions, and foreign fluctuation risks.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Growth in scale of operations marked by total operating income (TOI) of over ₹800 crore with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 10% or more.

#### Negative factors

- Significant decline in TOI or PBILDT margin to below 7% leading to lower-than-envisaged gross cash accruals (GCA) on a sustained basis.
- Total outside liabilities to tangible net worth (TOL/TNW) above 1.25x on a sustained basis.
- Elongation in operating cycle to above 100 days.

**Analytical approach:** Standalone

#### Outlook: Stable

The 'Stable' outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that AAL shall continue to benefit from extensive experience of its promoters in agro-chemical industry and would maintain its comfortable financial risk profile in the near-to-medium term.

### Detailed description of key rating drivers:

#### Key strengths

##### Growing scale of operations

AAL's TOI grew at a healthy compounded annual growth rate (CAGR) of ~25% for five years ended March 31, 2025, and remained at ₹502.47 crore in FY25. Growth in TOI was supported by increase in sales volume with capacity expansion in sulphur formulation plant in FY24 and foray into technicals manufacturing in FY25. In 9MFY26 (Unaudited), sales momentum continued and the company reported TOI of ₹513.90 crore with y-o-y growth of ~25%. This was led by scale up of technical plant and steady growth in other segments. CareEdge Ratings expects AAL to sustain its growth momentum, supported by the expansion of its technicals segment.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Comfortable financial risk profile**

AAL's capital structure improved and remained comfortable marked by overall gearing at 0.47x as on September 30, 2025 (FY25 end: 0.80x), owing to share application money received against initial public offering (IPO) resulting in a healthy net worth of ₹183.48 crore and moderate reliance on external debt. Debt coverage indicators remained comfortable marked by PBILDT interest coverage at 10.05x and total debt (TD) to GCA at 1.42x as on September 30, 2025 (6.99x and 2.43x respectively in FY25). CareEdge Ratings envisaged AAL to sustain its comfortable financial risk profile due to increase in net worth owing to IPO proceeds.

**Experienced promoters in agro-chemical industry**

The company's overall operations are managed by its promoters, Om Prakash Choudhary and Kedar Choudhary, who have vast experience of over two decades in the industry which has enabled AAL to build its presence and establish long-standing relationship with key and reputed customers. The company's operations are supported by a team of well-qualified and experienced key management personnel.

**Diversified product profile and reputed-yet-concentrated customer base**

AAL has a long track record of over two decades in manufacturing across categories of pesticides formulation (fungicide, insecticide, herbicide) in the form of granule, liquid, dust, and wettable powder across sizes per customer requirement. AAL holds 410 valid generic product registrations in India, comprising 380 formulation grade products and 30 technical grade products. The pesticide plant mainly specialises in agrochemicals for large organisation. The company generates ~20% of its TOI from B2C segment and balance through B2B segment, which includes major and reputed fertiliser/pesticide players. This diversified product portfolio, and strong manufacturing capabilities give AAL a competitive edge in domestic markets. However, revenue contribution from top 10 customers remained concentrated at ~70% of TOI in FY25 and 9MFY26.

**Key weaknesses****Moderate profitability**

The company's profitability is exposed to fluctuation in the price of key raw materials, which are crude-oil derivatives. AAL's profitability remained moderate marked by PBILDT margins in the range of 6-10% for five years ended FY25 owing to company's presence in generic formulation product. AAL's PBILDT margin improved by 114 bps y-o-y to 9.85% in FY25 due to commercialisation of technical plant from October 2024, leading to moderation in raw material cost from in-house consumption of certain technical grade formulations. Profit after tax (PAT) margin remained stable at 5.10% in FY25 (FY24: 5.42%). In 9MFY26, PBILDT margin remained in-line at 9.78% and PAT margin at 5.41%.

**Presence in the highly competitive agrochemical industry**

The agrochemical sector in India remains highly fragmented, with no single player holding a dominant market share. Intense competition from organised and unorganised players exerts pricing pressure, constraining profitability. While Indian companies largely focus on marketing generic and off-patent products with relatively lower R&D intensity, multi-national corporations continue to lead in developing patented molecules, further heightening competitive pressures.

**Profitability and revenue susceptible to inherent regulatory and climatic conditions and forex fluctuation risks**

Demand for crop protection products depends on the agriculture sector, which rely on monsoons and incidence of fungal/pest attack on crops. Major fluctuations in rainfall and its distribution affect the crop and overall production and has a direct correlation with sales and profitability of entities operating in the industry. In the export market, each country has specific registration processes across environmental rules and regulations. Non-compliance with stringent regulation may adversely impact operations including product ban. With commencement of the technical plant, AAL's imports increased for some raw materials. While it has minimal export sales, AAL's profitability remains susceptible to foreign currency fluctuation risk, given that the company is a net importer. The company booked forex gain of ₹0.21 crore in FY25 (FY24: ₹0.13 crore).

**Liquidity: Adequate**

The company's liquidity profile remained adequate marked by growing cash accruals against low debt repayment obligations, moderate liquidity ratios, moderate operating cycle and moderate working capital utilisation. AAL is expected to generate GCA over ~₹40 crore in FY26 against its debt repayment obligation of ₹4 crore for FY26. Current ratio and quick ratio stood moderate at 1.14x and 0.77x respectively as on March 31, 2025, against 1.22x and 0.93x as on March 31, 2024. The company utilised ~84% of its working capital limit for 12 months ended December 2025. Operating cycle remained moderate at 53 days in FY25 (PY: 43 days).

## 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 and agrochemicals	Pesticides and agrochemicals

Jaipur (Rajasthan) based AAL (CIN-L24121RJ2002PLC017467) was incorporated in 2002 by the Choudhary family. AAL is engaged in manufacturing agrochemicals such as pesticides, insecticides, herbicides in the form of granule, liquid, dust, and wettable powder across sizes per customer requirement and active ingredients/technical. The company currently has three manufacturing units at RIICO Industrial Area Bagru, Jaipur. AAL has installed capacity of 42,400 MTPA to manufacture formulations. AAL also manufactures different grades of Sulphur formulations with total installed capacity of 54,720 MTPA and technical formulations with capacity of 6,900 MTPA. AAL's shares were listed on the Bombay Stock Exchange and the National Stock Exchange in October 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	456.03	502.47	513.90
PBILDT*	39.73	49.49	50.25
Profit after tax (PAT)	24.73	25.64	27.82
Overall gearing (x)	0.60	0.80	
Interest coverage (x)	9.38	6.99	NA

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**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-Cash Credit		-	-	-	70.00	CARE BBB+; Stable
Fund-based - LT-Term Loan		-	-	31/07/2032	30.89	CARE BBB+; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	6.00	CARE BBB+; Stable / CARE A3+
Non-fund-based - ST-Forward Contract		-	-	-	0.20	CARE A3+
Non-fund-based - ST-Letter of credit		-	-	-	6.00	CARE A3+

**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	70.00	CARE BBB+; Stable	1)CARE BBB; Stable (03-Apr-25)	-	1)CARE BBB; Stable (16-Feb-24)	1)CARE BBB-; Stable (26-Dec-22)
2	Fund-based - LT-Term Loan	LT	30.89	CARE BBB+; Stable	1)CARE BBB; Stable (03-Apr-25)	-	1)CARE BBB; Stable (16-Feb-24)	1)CARE BBB-; Stable (26-Dec-22)
3	Non-fund-based - ST-Letter of credit	ST	6.00	CARE A3+	1)CARE A3+ (03-Apr-25)	-	1)CARE A3+ (16-Feb-24)	-
4	Non-fund-based - ST-Forward Contract	ST	0.20	CARE A3+				
5	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	6.00	CARE BBB+; Stable / CARE A3+				

LT: Long term; 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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - LT/ ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Forward Contract	Simple
5	Non-fund-based - ST-Letter of credit	Simple

**Annexure-5: Lender details**

To 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.

### Contact us

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