Cropnosys (India) Private Limited

March 13, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	132.00	CARE A-; Stable	Assigned
Long-term / Short-term bank facilities	105.00	CARE A-; Stable / CARE A2+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Cropnosys (India) Private Limited (Cropnosys) are driven by the company's long established track record of operations, promoters' extensive experience of over three decades, group's presence across the entire value chain of the agrochemical industry spanning both active ingredients (AIs) and formulation segments and established relationships with reputed clientele, which results in repeat orders and provide revenue visibility.

Ratings further derive strength from recovery in Cropnosys' operational performance in current fiscal supported by improved demand, better realisations, and easing global destocking pressures that impacted FY24 (FY refers to April 01 to March 31) and FY25.

Ratings also factor company's comfortable financial risk profile, despite ongoing debt-funded capacity expansion project, aided by replacement of high cost optionally convertible debentures (OCDs) with relatively lower-cost term debt and adequate liquidity, supported by healthy cash accruals and low working capital utilisation.

However, these rating strengths are partially offset by the working capital intensive operations and product concentration risk, with a significant share of revenue derived from top five products. Cropnosys' operations remain exposed to regulatory and climatic risks associated with the agrochemical sector and intense competition from Chinese manufacturers. Moreover, its profitability also remains susceptible to raw material price volatility and exchange rate fluctuations in the absence of active hedging mechanism.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations to over ₹1,500 crore while maintaining profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 15%.
- Improvement in capital structure marked by total debt/PBILDT of below 1.5x.
- Notable improvement in the company's net worth base.

Negative factors

- Significant decline in revenue by over 20% or PBILDT margins falling below 12% on a continuous basis.
- Any further debt-funded capex or higher-than-envisaged increase in working capital intensity resulting in deterioration of the capital structure, with overall gearing above 0.8x.

Analytical approach: Consolidated

In its analysis, CARE Ratings Limited (CareEdge Ratings) has considered the consolidated business and financial risk profiles of Cropnosys and its subsidiary, as the entity is linked through a parent-subsidiary relationship and have business and financial linkages. Entities consolidated with Cropnosys have been placed in Annexure-6.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' opinion that the company will continue to maintain a comfortable financial risk profile. The company's efforts towards addition of new products will further support its business profile.

[1]Complete 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

Extensive experience with long operational track record of promoters and integrated operations

The company is promoted by Gurvinder Singh, who has over 30 years of experience in the agrochemicals industry. In 1998, he founded JT Crop Limited (formerly known as Widecover Limited) and commenced operations as a trading company. Later in 2006, Cropnosys was incorporated primarily for manufacturing AIs as a backward integration unit. The group companies based out of United Kingdom operate in the formulations segment, where active ingredients are sourced from Cropnosys and external suppliers, including manufacturers based in China. Around 30% of the sales are made by Cropnosys to its group companies. The group has established presence in Europe and there would be operational support from JT Crop Limited to Cropnosys, if required. The company's operations are handled by a qualified team of professionals with clear demarcation of roles and responsibilities. Long-standing relations of the promoter with customers in Europe has resulted in recurring order flows to Cropnosys.

Strong clientele and diversified geographical reach

Promoters have long-standing relationships with clients such as Sumitomo Chemical, Nufarm Limited (UK operations) and UPL Limited, resulting in recurring orders. The company derives ~75% of its revenue from exports, with a geographically diversified presence across Europe, the US, Asia Pacific, Australia and New Zealand, with Europe contributing a relatively higher share. Domestic sales are spread across 14 states.

Volume-backed growth in scale of operations and healthy operating profitability

Cropnosys' total operating income (TOI) has grown at a compounded annual growth rate (CAGR) of ~11% in the last five years ended FY25. The company witnessed strong performance in FY23, marked by higher demand and increased sales realisation, driven by favourable global market conditions, including supply chain disruptions and constrained exports from China. However, in FY24, the global demand for agrochemicals weakened due to inventory destocking by international buyers resulting in reduced volume off-take. In FY25, increased supply by Chinese manufacturers in key markets increased price competition, exerting pressure on realisation. However, despite pressure in realisations, there was a significant improvement in sales volume, which led to a growth in revenue by 15% to ₹491.15 crore (PY: 426.88 crore).

Driven by higher share of export revenue with healthy realisation, the company's operating margins have historically remained healthy in the range of 14-16%. In 9MFY26 (provisional), the company reported TOI of ₹560.52 crore, driven by continued improvement in sales volumes. Also, change in product mix supported better realisations and, this and better absorption of fixed overheads, resulted in improvement in PBILDT margin to 14.43% for 9MFY26 from ~10% in FY25. Revenue is expected to increase to over ₹700 crore for FY26 and PBILDT margin likely to remain in the range of 14-15%.

Comfortable financial risk profile

The company's capital structure remained comfortable, marked by an overall gearing of 0.53x as on March 31, 2025 (PYE: 0.63x). Capital structure is expected to remain comfortable with an overall gearing less than 0.60x, going forward. In FY24, Cropnosys raised OCDs, which have now been replaced with a low-cost term debt to fund its ongoing capex for capacity expansion, which is expected to improve bottom line going forward. The debt coverage indicators also stood comfortable with interest coverage ratio of 22.99x in FY25 (PY: 19.86x).

Key weaknesses

Working capital intensive operations

Cropnosys' working capital intensity remains high due to its export-driven model, which necessitates extended customer credit of 120–180 days, resulting in a long receivable cycle. Simultaneously, reliance on imported raw materials necessitates maintaining 90-120 days inventory to manage long lead times. Together, these factors resulted in elongated working capital cycle at 156 days in FY25 (PY: 174 days).

Product concentration risk

The company has a diversified portfolio of over 20 products. However, revenue remains moderately concentrated, with the top five products contributing ~65-70%. Among these, Fluazinam Technical (FATM), Flufenacet Technical (FFC) and Flonicamid Technical (FLN) are the key revenue contributors. However, the company is adding new products in its portfolio, which is expected to gradually improve the product mix over the medium term.

Debt-funded capex

The company is undertaking a project to expand its manufacturing capacity by 7,500 MTPA across fungicides, herbicides, insecticides, and intermediates at its existing Vapi unit. The project cost is ₹165 crore, funded through a term loan of ₹132 crore and the balance through internal accruals. As on January 23, 2026, the company has incurred ₹104 crore towards the project (~63 completion), funded through term loan drawn of ₹66 crore and the balance through internal accruals. Commercial operations of the augmented capacities are expected to commence from May 2026. Revenue is expected to scale up gradually from the enhanced facilities with contribution from both new and existing molecules. Timely completion of the project and ability to generate envisaged cashflows would remain monitorable.

Import dependence, and susceptibility of its profitability to price and exchange rate volatility

The company procures a significant portion of its key raw materials from China, primarily due to pricing advantages. As a result, its procurement is exposed to risks arising from changes in trade policies, geopolitical developments, or supply chain disruptions affecting cross-border movement of goods. While domestic suppliers are available and provide an alternate sourcing option, procurement from local markets is relatively costlier. However, the availability of domestic substitutes provides a degree of supply flexibility in the event of disruptions in imports.

The company is exposed to exchange rate fluctuation risk given its predominantly export-oriented revenue profile. This exposure is partly mitigated by import of raw materials, which provides a natural hedge to some extent.

Exposure towards highly regulated and competitive agrochemical industry

The agrochemical industry is marked by heavy fragmentation with the absence of key player having sizeable market share. The intense competition particularly from Chinese manufacturers leads to competitive pricing. Moreover, sale of agrochemical products in regulated markets is subject to stringent regulatory requirements, necessitating prior registration with the relevant authorities in each country before commercialisation.

Cropnosys' registrations with the European Food Safety Authority (EFSA) supports the company's access to regulated export markets and stability to its export operations.

Liquidity: Adequate

The liquidity profile of the company is adequate marked by sufficient accruals generated against its repayment obligation. Repayments of the newly availed term loans are scheduled to commence from H2FY27, with an annual repayment obligation of ~₹27 crore against expected cash accruals of over ₹100 crore. Reliance on bank borrowings for working capital purpose has historically remained low; however, it has increased following the redemption of OCDs. However, liquidity is supported by free cash and cash equivalents of ~₹18.80 crore as on February 23, 2026.

Assumptions/Covenants - NA

Environment, social, and governance (ESG) risks - NA

Applicable criteria

Consolidation
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

Cropnsosys was incorporated in April 2006 and founded by Gurvinder Singh.

JT Crop Limited (formerly known as Widecover Limited) is the holding company of Cropnosys, with a 72.20% equity stake. Cropnosys is primarily engaged in manufacturing off-patent generic agrochemical AIs across fungicide, herbicide, and insecticide categories. The company currently has an installed capacity of 2,500 MTPA and is undertaking a capex to increase capacity by 7,500 MTPA, with commercial operations expected to commence from May 2026.

Brief Financials (₹ crore) (Consolidated)	March 31, 2024 (A)	March 31, 2025 (A)	9M-FY26 (UA)
Total operating income	426.88	491.15	560.52
PBILDT*	78.54	52.12	80.90
Profit after tax (PAT)	42.37	15.76	51.20
Overall gearing (x)	0.63	0.53	0.33
Interest coverage (x)	19.86	22.99	11.43

A: Audited UA: Unaudited; 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-Term Loan	-	-	-	September 2032	132.00	CARE A-; Stable
Fund-based - LT/ ST-CC/PC/Bill Discounting	-	-	-	-	105.00	CARE A-; Stable / CARE A2+

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-Term Loan	LT	132.00	CARE A-; Stable				
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	105.00	CARE A-; Stable / CARE A2+				

LT: Long 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-Term Loan	Simple
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Cropnosys ANZ Pty Ltd	Full	Subsidiary

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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