

Tarsons Products Limited

April 06, 2026

Facilities	Amount (₹ crore)	Ratings ¹	Rating Action
Long-term bank facilities	500.73 (Reduced from 516.02)	CARE A; Stable	Reaffirmed
Long-term / Short-term bank facilities	24.00 (Reduced from 25.00)	CARE A; Stable / CARE A1	Reaffirmed
Short-term bank facilities	4.00	CARE A1	Assigned
Short-term bank facilities	84.00 (Enhanced from 39.00)	CARE A1	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Tarsons Products Limited (TPL) factors in the improvement in financial performance in 9MFY26 (refers to April 01 to December 31), driven by growth in scale of operations and improvement in operating margins.

Ratings also factor in substantial progress in the ongoing capital expenditure (capex), which is nearing completion; however, this is tempered by the increase in overall project cost and the associated project stabilisation risk, which is yet to be fully mitigated. Ratings considers satisfactory capital structure and debt protection metrics, despite a slight moderation due to debt-funded capex.

Ratings continue to derive strength from long track record and established brand presence of TPL in the domestic plastic laboratory ware industry aided by its diversified product portfolio, strong distribution network, and low exposure to foreign exchange fluctuation risk.

Ratings continue to remain constrained by the modest scale of operations despite expected improvement considering acquisition and undergoing capex, which is expected to complete by April 2026, its profitability susceptible to raw material price volatility, elongated working capital cycle and project implementation, and stabilisation risk in relation to the undergoing capex.

CARE Ratings Limited (CareEdge Ratings) has withdrawn ratings assigned to term loan and working capital limit of ICICI bank, and another term loan from Axis Bank after considering full repayment and receipt of no dues certificate from the lenders.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained increase in total operating income (TOI) above ₹500 crore while maintaining healthy profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 35% on a sustained basis.
- Improvement in return on capital employed (ROCE) to over 20% on a sustained basis.
- Improvement in capital structure with overall gearing ratio going below 0.30x on a sustained basis.

Negative factors

- Decline in TOI below ₹300 crore with PBILDT margin below 26% on a sustained basis.
- Deterioration in total debt/PBILDT beyond 3x from fiscal year 2026 onwards.
- Significant delay in commencement of the project, leading to substantial time and cost overruns and delay in stabilisation in operation as envisaged.

Analytical approach:

CareEdge Ratings has taken a consolidated view due to TPL's strong operational, financial, and managerial linkages with its subsidiaries. Entities consolidated are listed under Annexure-6.

Outlook: Stable

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

CareEdge Ratings believes that the company is expected to sustain its revenue profile and generate positive cash flows considering healthy operating margins.

Detailed description of key rating drivers:

Key strengths

Long track record and established brand in the domestic market

TPL has been into manufacturing and trading plastic laboratory-ware products for over four decades. It has established itself in the domestic market and has presence in the export market (mainly in Europe and the US). The company is promoted by the Sehgal family of Kolkata. Current promoters, Sanjive Sehgal and Aryan Sehgal, have significant experience in the business. In July 2018, Sachin Sehgal (one of the co-promoters) exited the company and sold his stake to a private equity investor, Clear Vision Investment Holding Pte Limited (CVIHPL), Singapore. Currently, CVIHPL holds 23.42% stake in the company (post IPO) and the management control remains with Sanjive Sehgal and his son, Aryan Sehgal. The company came out with an initial public offering (IPO) in November 2021 where it raised ₹150 crore of fresh equity. The company sells its products under the brand 'Tarsons', which is well-accepted in the market.

Diversified product portfolio with strong distribution network

TPL manufactures a wide range of products (comprising 2000+ stock-keeping units [SKUs] among 350 product lines) comprising consumables contributing ~55% of overall revenue, re-usable contributing ~41% of overall revenue and other scientific instruments accounting for balance 4% share of revenue. Major customers for these products include scientific research organisations, contract research organisations, hospitals, diagnostic centres, education institutions, and R&D centres across industries, among others.

Majority sales are through an established distribution network of distributors. Currently, TPL has ~144 active domestic distributors and 45 active foreign distributors, through which it catered to over 40 countries. TPL also sells directly through online channels; however, its share remains relatively low. With the acquisition of the Nerbe group (a trading entity) based in Germany, the company expects to further bolster its revenue profile from the export market with major penetration in the European countries considering significant demand.

Improved financial performance in 9MFY26

TPL's TOI increased by ~33% y-o-y to ₹401.54 crore in FY25. However, operating margin declined compared to FY24, in line with earlier expectations, due to one-time provisioning of ₹9.3 crore towards a machine module damaged in transit for capital expenditure and a relatively higher increase in raw material costs compared to realisations.

In 9MFY26, the company reported revenue of ₹301.59 crore compared to ₹279.72 crore in 9MFY25, reflecting a y-o-y growth of 7.8%, driven by improved revenue traction from both India and Germany operations. PBILDT margin improved to 29.96% in 9MFY26 from 28.15% in 9MFY25, supported by higher operating income and partial absorption of fixed costs. However, profit after taxation (PAT) margin moderated to 3.36% in 9MFY26 from 6.82% in 9MFY25 due to higher depreciation and interest charges following capitalisation of the new facilities at Panchla and Amta.

Going forward, with stabilisation of operations at the new facilities, profit margins are expected to improve gradually as capital charges normalize and revenue scales up.

Satisfactory capital structure and debt coverage indicators despite moderation on account of capex

With ongoing debt-funded capital expenditure, capital structure moderated; however, it continues to remain satisfactory. Overall gearing ratio moderated from 0.53x as on March 31, 2024, to 0.61x as on March 31, 2025. Going forward, overall gearing is expected to increase further due to ongoing debt-funded capex; however, peak overall gearing is expected to remain capped at ~0.70x in the medium term.

The interest coverage ratio also moderated from 10.40x in FY24 to 6.14x in FY25 and further to 5.72x in 9MFY26, though it continued to remain at satisfactory levels, reflecting adequate ability to service interest obligations despite higher debt. Total debt to gross cash accruals (TDGCA) marginally moderated from 3.50x as on March 31, 2024, to 3.76x as on March 31, 2025, primarily due to an increase in total debt levels.

Going forward, while debt coverage indicators may remain moderate in the near term due to capex-related borrowings, they are expected to remain within satisfactory levels, supported by stable operating performance and improvement in cash accruals.

Low exposure to foreign exchange fluctuation risk

TPL's exposure to foreign exchange fluctuation risk is largely mitigated, as the company enjoys natural hedge with exports and imports of finished goods and raw materials. On a standalone basis, the company imported goods of ₹206.20 crore and exported goods of ₹194.05 crore in FY25 (imported goods of ₹118.70 crore and exported goods of ₹82.94 crore in FY24). The company had outstanding un-hedged foreign currency payables of ₹8.29 crore as on March 31, 2025, against un-hedged foreign currency receivable of ₹24.32 crore as on March 31, 2025, on a consolidated basis.

Key weaknesses**Modest scale of operations**

TPL's TOI witnessed y-o-y growth of ~33% to ₹401.54 crore in FY25. The same is attributable to increase in revenue in Indian business and from Germany business, the acquired Nerbe units (step-down subsidiary company). Modest scale of operation limits the financial flexibility in times of stress. However, as guided by the management, it is one of the largest players in its addressable market in India and with company incurring capex for capacity expansion and addition of new products, the company's revenue is expected to increase substantially but gradually in the next 3-5 years.

Elongated working capital cycle

TPL's operations are working capital intensive in nature considering high inventory and collection period. The company has ~350 products (2000 SKU) and must maintain stocks of major moving products throughout the year. It is also required to maintain raw material inventory, given the lead time in procurement. This results in high inventory period. Average inventory period continued to remain on the higher side at 172 days in FY25.

Average collection period is on the higher side, being a usual phenomenon as sales are relatively skewed towards year-end, when research institutes and laboratories, major end-users of TPL's products, place bulk orders and distributors also purchase in large quantities to meet their targets. Average collection period remained at 72 days in FY25 compared to 87 days in FY24.

Operating cycle is expected to remain high considering high average inventory period, and currently the company is also facing uncertainties related to imports due to ongoing war in the Middle East, and low credit period from suppliers in the medium term. However, the working capital bank limit utilisation remains moderate as a large part of working capital requirement is met through internal generations.

Susceptibility to fluctuation in raw material prices

Raw material consumption is a major cost component for TPL constituting ~28.41% of total cost of sales in FY25 (48.17% in FY24). Plastic granule is the primary raw material required for manufacturing plastic laboratory products, which is a derivative of crude and adverse movement in the price of the underlying can have a significant impact on the company's overall profitability. Majority raw materials are imported from Singapore, Europe, and the US.

Stabilisation risk associated with large capex with project nearing completion

The company has been undertaking a large capital expenditure (capex) programme, earlier estimated at ₹800 crore, which has now increased to ~₹893 crore, primarily due to change in project scope and continued sharp depreciation of the Indian Rupee (INR) against the Euro. The overall cost of the project is being funded through proceeds from the IPO, internal accruals, and term loans.

As on February 7, 2026, the company has incurred ~₹800 crore, of which ₹455 crore was funded through internal accruals, ₹62 crore from IPO proceeds, and ₹283 crore through term debt. The balance project cost is expected to be incurred using a mix of additional debt and internal accruals, which exposes the company to execution and leverage-related risks during the final phase of project completion.

Through this capex, the company has set up two manufacturing plants in West Bengal. These facilities have enabled capacity expansion of existing products such as filter tips, serological pipettes, and cryo vials, entry into new products including cell culture products, roller bottles, and others, and relocation of manufacturing of serological pipettes and PET bottles from one of its existing plants. In addition, the company has established a radiation plant at Amta for sterilisation purposes and has also constructed a large-sized warehouse.

Production for majority products commenced recently or is expected to commence by early April 2026. However, production of Petri dishes, a new addition under the cell culture division, will take another few months to commence production.

Successful stabilisation, timely ramp-up of utilisation, and realisation of envisaged operational efficiencies remain critical in the near term.

Liquidity: Strong

Liquidity is strong, marked by sufficient accruals to cover the debt repayment obligations. The company has repayment obligation of ~₹54 crore in FY26, against which the company already generated accruals of ~₹77.46 crore till December 31, 2025. The cash and bank balance stood at ₹31.27 crore as on September 30, 2025, providing liquidity comfort. Cashflow from operations (CFO) remained healthy at ₹160 crore in FY25. Debt repayments are expected to increase going ahead on back of increase in term loans used for funding a large-sized capex. However, the company is expected to generate sufficient cash accruals. Average fund-based working capital limit utilisation stood at 48.03% for 12 months ended January 2026, providing sufficient headroom to utilise its working capital limit for its debt repayment.

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](#)

[Withdrawal Policy](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Plastic products - industrial

Promoted in July 1983 by Sehgal family of Kolkata, TPL is engaged in manufacturing and trading plastic laboratory products and certain scientific instruments, with six manufacturing facilities in West Bengal. The company is coming up with unit in Armta in West Bengal for capacity addition and new product launch and warehousing facility, fulfilment centre and radiation plant. The products find usage in laboratories engaged in research on molecular biology, cell culture, genomics, proteomics, and immunology, among others.

TPL came up with an IPO in November 2021, post which it got listed on BSE and NSE. The company raised funds of ₹150 crore from IPO in its books and CVIHPL and promoters (Sanjive Sehgal and Aryan Sehgal) offered a part of its shareholding for sale against which they received ₹827 crore and ₹47 crore, respectively.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	302.04	401.54	311.15
PBILDT*	105.56	120.01	93.22
Profit after tax (PAT)	42.64	29.77	10.14
Overall gearing (x)	0.53	0.61	NA
Interest coverage (x)	10.40	6.14	5.72

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 facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	84.00	CARE A; Stable
Fund-based - ST-Bank Overdraft		-	-	-	4.00	CARE A1
Fund-based - ST-Working Capital Demand loan		-	-	-	74.00	CARE A1
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	10.00	CARE A; Stable / CARE A1
Non-fund-based - LT-Letter of credit		-	-	-	60.00	CARE A; Stable
Non-fund-based - LT-Standby Letter of Credit		29-07-2024	-	-	110.00	CARE A; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	14.00	CARE A; Stable / CARE A1
Non-fund-based - ST-Letter of credit		-	-	-	10.00	CARE A1
Term Loan-Long Term		-	-	December 2030	246.73	CARE A; 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	84.00	CARE A; Stable	1)CARE A; Stable (20-Jun-25)	1)CARE A; Stable (03-Feb-25)	1)CARE A+ (RWD) (02-Jan-24)	1)CARE A+; Stable (07-Nov-22)
2	Term Loan-Long Term	LT	246.73	CARE A; Stable	1)CARE A; Stable (20-Jun-25)	1)CARE A; Stable (03-Feb-25)	1)CARE A+ (RWD) (02-Jan-24)	1)CARE A+; Stable (07-Nov-22)
3	Fund-based - LT-Bank Overdraft	LT	-	-	-	-	1)Withdrawn (02-Jan-24)	1)CARE A+; Stable (07-Nov-22)
4	Fund-based/Non-fund-based-Short Term	ST	-	-	-	-	1)Withdrawn (02-Jan-24)	1)CARE A1+ (07-Nov-22)
5	Non-fund-based - LT-Letter of credit	LT	60.00	CARE A; Stable	1)CARE A; Stable (20-Jun-25)	1)CARE A; Stable (03-Feb-25)	1)CARE A+ (RWD) (02-Jan-24)	1)CARE A+; Stable (07-Nov-22)
6	Non-fund-based - LT/ ST-BG/LC	LT/ST	14.00	CARE A; Stable /	1)CARE A; Stable / CARE A1 (20-Jun-25)	1)CARE A; Stable / CARE A1 (03-Feb-25)	1)CARE A+ / CARE A1+ (RWD) (02-Jan-24)	1)CARE A+; Stable / CARE A1+

				CARE A1				(07-Nov-22)
7	Non-fund-based - ST-Letter of credit	ST	10.00	CARE A1	1)CARE A1 (20-Jun-25)	1)CARE A1 (03-Feb-25)	1)CARE A1+ (RWD) (02-Jan-24)	1)CARE A1+ (07-Nov-22)
8	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	10.00	CARE A; Stable / CARE A1	1)CARE A; Stable / CARE A1 (20-Jun-25)	1)CARE A; Stable / CARE A1 (03-Feb-25)	1)CARE A+ / CARE A1+ (RWD) (02-Jan-24)	-
9	Fund-based - ST-Working Capital Demand loan	ST	74.00	CARE A1	1)CARE A1 (20-Jun-25)	1)CARE A1 (03-Feb-25)	1)CARE A1+ (RWD) (02-Jan-24)	-
10	Non-fund-based - LT- Standby Letter of Credit	LT	110.00	CARE A; Stable	1)CARE A; Stable (20-Jun-25)	1)CARE A; Stable (03-Feb-25)	-	-
11	Fund-based - ST-Bank Overdraft	ST	4.00	CARE A1				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated 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 - ST-Bank Overdraft	Simple
3	Fund-based - ST-Working Capital Demand loan	Simple
4	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
5	Non-fund-based - LT-Letter of credit	Simple
6	Non-fund-based - LT-Standby Letter of Credit	Simple
7	Non-fund-based - LT/ ST-BG/LC	Simple
8	Non-fund-based - ST-Letter of credit	Simple
9	Term Loan-Long Term	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	Tarsons Life Science Pte. Ltd.	Full	Wholly owned subsidiary
2	Nerbe plus GmbH & Co. KG	Full	Wholly owned subsidiary*
3	Nerbe R&D GmbH	Full	Wholly owned subsidiary*

*Stepdown 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.

Contact us

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