



Press Release
UNIPHOS ENVIROTRONIC PRIVATE LIMITED
July 29, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	21.00	ACUITE BBB+ Negative Reaffirmed Stable to Negative	-
Bank Loan Ratings	7.00	-	ACUITE A2 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	28.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long-term rating of '**ACUITE BBB+**' (read as **ACUITE Triple B plusa**) and the short term rating of '**ACUITE A2**' (read as **ACUITE A two**) on the Rs.28.00 crore bank facilities of Uniphos Envirotronic Private Limited (UEPL). The outlook is revised to '**Negative**' from '**Stable**'.

Rationale for rating

The revision in outlook reflects the decline in the business risk profile and elongated working capital operations. The group's operating profit margin shows a significant year-on-year decline, standing at 13.49 percent in FY25 (prov.) against 17.50 percent in FY24 and 25.64 percent in FY23. Additionally, the group's PAT margin was 6.37 percent in FY25 (prov.) compared to 8.51 percent in FY24 and 13.16 percent in FY23. The decline in the operating margin of the group is due to the decline in average realization and increase in the employee benefits expenses and would remain a monitorable over the near to medium term. The group has intensive working capital requirements, as evidenced by gross current assets (GCA) of 313 days in FY25 (prov.) compared to 314 days in FY24. However, the rating is supported by a healthy financial risk profile marked by comfortable gearing and debt protection metrics.

About the Company

Gujarat based, UEPL is promoted by Mr. Rajnikant Devidas Shroff and his wife, Mrs. Sandra Rajnikant Shroff. Prior to its incorporation in 2007, UEPL was operated under the name of Chemo Electronic Laboratory (CEL) and had been operational since 1993. The company manufactures and trades in a wide range of detectors and safety products such as gas detectors, fire detectors, analytical equipment and fumigation equipment, among others. UEPL has its own research and development department and also provides services in the nature of annual maintenance contracts for its products.

About the Group

Uniphos Envirotronic Inc.- The UEPL Group consists of two companies, i.e. Uniphos Envirotronic Private Limited (UEPL) and Uniphos Envirotronic Inc., USA (UEI). Texas based, Uniphos Envirotronic Inc., is a USA based wholly owned subsidiary of UEPL. This company is a marketing arm of UEPL and is also engaged in the same business of manufacturing and trading of a wide range of detectors and safety products.

UPL Limited- UPL Limited, formerly United Phosphorus Limited, is an Indian multinational company promoted by Mr. Rajnikant Devidas Shroff and family in 1969 as a manufacturer of phosphorous-based industrial chemicals. Between 1980 and 2000, it diversified into crop protection chemicals and specialty chemicals. UPL has graduated from crop protection chemicals into a complete agro solutions provider (seeds, crop protection chemicals, biological, soil nutrients and post-harvest solutions). The Company's product basket comprises offerings for

multiple crops, fruits and vegetables, insulating from an excessive dependence on any one segment. The Company is the second largest post-patent global player in the crop protection market.

Unsupported Rating

ACUITE BBB-/Negative/A3

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuité has considered the consolidated approach of UEPL and its subsidiary Uniphos Envirotronic Inc. to evaluate the credit quality of UEPL to arrive at the final rating. To arrive at the final rating, Acuité has also notched up the standalone rating by factoring in the management and financial support extended by the common promoters of United Phosphorus Limited (UPL).

Key Rating Drivers

Strengths

Experienced management with established track record of operations

UEPL group has a market presence of more than a decade in manufacturing and trading of detectors and other industrial equipment. The group caters to diversified industries including chemical and petro-chemical, oil refineries, government establishments, fumigators, pollution monitoring, waste water treatment plants, chemical plants, iron and steel plants, pharmaceutical plants, power industries, among others. UEPL was previously a division of UPL Limited, which is one of the largest generic agrochemicals and industrial chemical player in the world having a presence in various segments including crop protection products, intermediates, speciality chemicals and other industrial chemicals. UEPL group benefits from the extensive experience of its management, including Mr. Rajnikant D. Shroff and Mrs. Sandra R. Shroff, who collectively possess more than six decades of experience in the generic agrochemical and industrial chemical industry. The top management is ably supported by a well-qualified and experienced team of the second line of management. UEPL group also benefits from its association with UPL Limited.

Acuité believes that the group will continue to benefit from the promoter's established presence in the industry and its improving business risk profile over the medium term.

Healthy Financial Risk Profile

The group has healthy financial risk profile marked by total tangible net worth stood at Rs. 44.67 Cr. as on 31st March 2025 (prov.) against Rs. 39.41 Cr. as on 31st March 2024, increase in net worth is on account of profit accretion. The total debt outstanding of the group is Rs. 24.85 crore as on 31 March, 2025 (prov.) against Rs. 28.58 Cr. in FY24. Debt to Equity ratio stood at 0.56 times in FY25 (prov.) as against 0.73 times in FY24. Interest coverage ratio stood strong at 5.46 times for FY25 (prov.) as against 5.77 times in FY24. Debt Service coverage ratio stood comfortable at 3.01 times for FY25 (prov.) as against 3.22 times in FY24. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.13 times as on March 31, 2025 (prov.) as against 1.35 times as on March 31, 2024. The Net Cash Accruals/Total Debt (NCA/TD) stood at 0.29 times as on March 31, 2025 (Prov.) as against 0.30 times as on March 31, 2024. Acuité believes that going forward the financial risk profile of the group will remain healthy with no debt funded capex in near to medium term.

Weaknesses

Decline in profitability albeit marginal growth in revenue

The group has witnessed the marginal growth in the revenue from operations by ~2% which stood at Rs. 73.74 Cr. in FY25 (prov.) against Rs. 72.11 Cr. in FY24. The marginal growth in revenue is due to increase in the sales in international market however there is a decline in the sales in domestic market. Operating margin of the group stood at 13.49% in FY25 against 17.50% in FY24 and 25.64 percent in FY23. The decline in the operating margin of the group is due to the decline in average realisation and increase in the employee benefits expenses. Therefore, PAT margin decline and stood at 6.37% in FY25 (prov.) against 8.51% in FY24 and 13.16 percent in FY23. Acuité believes that going forward the performance of the group will remain a key monitorable.

Intensive Working Capital Operations

The working capital management of the group is intensive marked by GCA days of 313 days in FY2025 (prov.) as against 314 days in FY2024. The GCA days are driven by high inventory days and debtor days. The inventory days stood at 165 days in FY2025 (prov.) as against 197 days in FY2024. Due to the long manufacturing cycle of 2-2.5 months depending on the specifications, UEPL has to maintain an inventory of finished goods in order to cater orders in time bound manner. The debtor days stood at 77 days in FY2025 (prov.) as against 93 days in FY2024. UEPL generally gives a credit period of 90-120 days to its customers. The majority of the orders which UEPL group caters to are tender based contracts of public sector units and private players. Most of the debtors are recovered within 90- 120 days on an average of raising the bill. The Creditor days stood at 51 days in FY2025 (prov.) as against 65 days in FY2024. Acuité believes that the operations of the group will continue to remain working capital intensive over the medium term due to nature of operations.

Dependence on tenders coupled with delays in execution and project execution risk

UEPL group executes tender based contracts of public sector units and private players indicating that the firm is highly dependent on successful bidding of tenders. Further, delays in the project execution due to site clearances along with the delayed receipt from customers are likely to result in higher working capital requirements.

Assessment of Adequacy of Credit Enhancement under various scenarios including stress scenarios (applicable for ratings factoring specified support considerations with or without the “CE” suffix)

Acuite takes into consideration the benefit derived by Uniphos Envirotronic Private Limited from the support of United Phosphorus Limited.

Stress Case Scenario

While the rating has been derived on the standalone business and financial risk profiles of UEPL, Acuite believes in case of any stress case scenario, the required support would come from the United Phosphorus Limited.

Rating Sensitivities

- Movement of the profitability margins and scale of operations
- Movement of working capital operations

Liquidity Position**Adequate**

The group has adequate liquidity marked by net cash accruals to its maturing debt obligations, current ratio, cash and bank balance. The group generated the net cash accruals of Rs. 7.25 Cr. for FY25 (prov.) as against the debt repayment obligations of Rs. 1.14 Cr. The current ratio of the group stood at 1.69 times as on 31st March 2025 (prov.) as against 1.62 times as on 31st March 2024. Cash and Bank Balances of group stood at Rs. 15.88 Cr. as on 31st March 2025 (prov.). Fund based working capital limits are utilized at ~94.25 per cent during the last six months ended March 2025. Going forward the liquidity profile of the group will remain key monitorable over near to medium term.

Outlook: Negative**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	73.74	72.11
PAT	Rs. Cr.	4.69	6.14
PAT Margin	(%)	6.37	8.51
Total Debt/Tangible Net Worth	Times	0.56	0.73
PBDIT/Interest	Times	5.46	5.77

Status of non-cooperation with previous CRA (if applicable)

Not applicable

Any Other Information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Group And Parent Support: <https://www.acuite.in/view-rating-criteria-47.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook	
30 Apr 2024	Bank Guarantee (BLR)	Short Term	3.00	ACUITE A2 (Reaffirmed)	
	Cash Credit	Long Term	19.00	ACUITE BBB+	Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	1.43	ACUITE BBB+	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	4.57	ACUITE BBB+	Stable (Reaffirmed)
01 Feb 2023	Bank Guarantee (BLR)	Short Term	3.00	ACUITE A2 (Reaffirmed)	
	Cash Credit	Long Term	19.00	ACUITE BBB+	Stable (Reaffirmed)
	Working Capital Term Loan	Long Term	3.43	ACUITE BBB+	Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.57	ACUITE BBB+	Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Axis Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE A2 Reaffirmed
Axis Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	19.00	Simple	ACUITE BBB+ Negative Reaffirmed Stable to Negative
Axis Bank	Not avl. / Not appl.	Forward Contracts	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.00	Simple	ACUITE A2 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.71	Simple	ACUITE BBB+ Negative Reaffirmed Stable to Negative
Axis Bank	Not avl. / Not appl.	Working Capital Term Loan	01 Aug 2020	Not avl. / Not appl.	31 Jul 2025	0.29	Simple	ACUITE BBB+ Negative Reaffirmed Stable to Negative

*Annexure 2 - List of Entities (applicable for Consolidation or Parent / Group / Govt. Support)

Sr. No.	Company Name
1	UPL Limited
2	Uniphos Envirotronic Private Limited
3	Uniphos Envirotronic Inc.

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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