



Press Release
NOVA AGRI SCIENCES PRIVATE LIMITED
October 15, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.90	ACUITE BBB Reaffirmed & Withdrawn	-
Bank Loan Ratings	0.93	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	21.83	-	-

Rating Rationale

Acuite has reaffirmed and withdrawn the long-term rating of '**ACUITE BBB**' (read as **ACUITE Triple B**) on the Rs. 20.90 crore bank facilities of Nova Agri Sciences Private Limited (NASPL). The rating is being withdrawn on account of request received from the company, and NOC (No Objection Certificate) received from the banker.

Further, Acuite has also withdrawn the long-term bank facility on Rs. 0.93 crore of Nova Agri Sciences Private Limited (NASPL) without assigning any rating as it is a proposed facility. The rating is being withdrawn on account of request received from the company.

The withdrawal is in accordance with Acuite's policy on withdrawal of rating as applicable to the respective facility / instrument.

Rationale for rating

This rating reaffirmation considers the group's improved operating performance, characterized by an increase in operating income and rangebound profitability margins. The rating also benefits from the management's extensive experience in the industry. However, the rating remains constrained by the intensive nature of working capital operations and highly competitive and regulated nature of the industry.

About Company

Nova Agri Sciences Private Limited (NASPL), a subsidiary of Nova Agritech Group, was incorporated in 2010 and is engaged in the manufacturing and formulation of crop protection products. Operating from its facility in Singannaguda, Medak (Telangana), the company offers a range of herbicides, insecticides, fungicides, and plant growth regulators. Promoted by Mr. Kiran Kumar Atukuri, NASPL forms part of the group's integrated agri-solutions platform, catering to both crop protection and nutrient needs.

About the Group

Incorporated in 2007, Nova Agritech Limited (NATL) is engaged in the manufacturing and marketing of bio-fertilisers, bio-pesticides, organic fertilisers, and micro/macro nutrients. The company operates from its manufacturing unit in Hyderabad (Telangana) and has integrated

operations across India. NATL sells its products through a network of dealers as well as directly to farmers. It is promoted by Mr. Kiran Kumar Atukuri, Ms. Malathi Siripurapui, and others, who

collectively bring over two decades of experience in the agricultural industry. Nova Agri Sciences Private Limited (NASPL), a wholly owned subsidiary of NATL, is involved in the manufacturing of pesticides. Together, the group offers a comprehensive solution for crop protection and crop nutrition.

Unsupported Rating

Not Applicable

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has adopted a consolidated approach while assessing the business and financial risk profiles of Nova Agritech Limited and Nova Agri Sciences Private Limited, collectively referred to as the Nova Group. This approach is based on shared marketing teams, common management, operational and financial linkages, and cross-corporate guarantees between the two entities.

Key Rating Drivers

Strengths

Established track record of operations and extensive experience of the promoters

The group is involved in the manufacturing of biofertilizers, biopesticides, and micro and macronutrients. It is promoted by Mr. Y Sambasiva Rao Yeluri, Mr. Malathi, and others, who have over two decades of experience in the agricultural sector. The top management is well supported by a qualified and experienced second-line team. The company operates through integrated facilities across India. The group primarily sells to dealers and also directly to farmers. Over the years, Nova Group has developed a strong brand image among stakeholders such as customers and creditors, and is recognised as one of the leading brands in the southern region of India in the biofertilizers and biopesticides segment. Acuite believes the group will continue to benefit from its promoters' experience, established presence, and expanding scale of operations, ensuring healthy revenue visibility over the medium term.

Improvement in Sales and Profitability

The Nova group's revenue increased to Rs. 294.14 crore in FY25 from Rs. 252.48 crore in FY24, primarily driven by higher operational activity in Nova Agri Sciences Private Limited. As of 30 June 2025, consolidated revenue stood at approximately Rs. 46.74 crore. Within this, Nova Agritech Limited recorded standalone revenue of Rs. 11.65 crore, while Nova Agri Sciences Private Limited contributed Rs. 35.09 crore. For the full year FY25, NATL posted standalone revenue of Rs. 165.85 crore compared to Rs. 179.84 crore in FY24, whereas NASPL reported Rs. 140.45 crore against Rs. 111.66 crore in the previous year. Revenue is expected to improve further in the near to medium term following recent capital expenditure for expanding the existing formulation plant and establishing a new one. EBITDA margins stood at 14.52 per cent in FY25, down from 17.57 per cent in FY24, due to a marginal increase in raw material costs. PAT margins also moderated to 9.32 per cent in FY25 from 11.21 per cent in FY24.

Healthy Financial Risk Profile

The group's financial profile is healthy, marked by low gearing, healthy net worth and robust debt protection metrics. The net worth of the group stood healthy and improved at Rs. 218.52 crore in FY25 as against Rs. 191.80 crore in FY24, due to accretion of profits to the reserves. The group's total debt as on March 31, 2025 stood at Rs. 54.65 crore as compared to Rs. 61.20 crore as on March 31, 2024; comprising long-term debt of Rs. 2.93 crore, short-term debt of Rs. 49.70 crore, USL from promoters of Rs. 0.05 crore and maturing debt repayment obligations of Rs. 1.97 crore. The gearing of the group stood below unity at 0.25 times as on March 31, 2025.

against 0.32 times as on March 31, 2024. TOL/TNW stood at 0.50 times as on March 31, 2025. Further, the debt coverage indicators have stood healthy with ICR and DSCR at 8.60 times and 3.03 times during FY25 against 4.91 times and 3.02 times during FY24.

Strategic Capacity Expansion

Nova Agritech Limited (NATL) and its subsidiary, Nova Agri Sciences Private Limited (NASPL), have successfully completed their planned capital expenditure projects funded through IPO proceeds. The investments were aimed at enhancing formulation manufacturing capabilities at Singannaguda Village, Telangana. NATL invested Rs. 10.48 Crore for expanding its existing plant, while NASPL invested Rs. 14.20 Crore to set up a new facility. Both plants have commenced operations from 7th July 2025 onwards. The project execution was aligned with the IPO objectives and marks a strategic milestone, significantly boosting the Group's manufacturing capacity and operational efficiency.

Weaknesses

Intensive nature of Working capital operations

Nova Group has intensive working capital operations, with average gross current asset (GCA) days standing over 319 days during FY23 to FY25. The GCA days stood at 324 days in FY25 against 359 days in FY24, on account of higher inventory levels and receivables. Inventory days increased and stood at 93 days in FY25 against 87 days in FY24. The debtor days increased and stood at 224 days in FY25 as against 178 days in FY24. The average credit period allowed to the customers is around 90 days. The creditor days of the group stood at 81 days for FY25 as against 61 days for FY24. The average credit period allowed by the suppliers is around 60–90 days.

Regulatory Constraints and Competitive Pressure Impact Margins

The agrochemical industry is highly fragmented, with a large number of organized and unorganized players. This limits pricing flexibility and bargaining power, putting pressure on margins. The industry is regulated by the Ministry of Chemicals and Fertilizers, and all products must undergo mandatory inspection before being introduced to the market. Additionally, every new product must be registered, which involves a lengthy process that can take several months or even years.

Rating Sensitivities

Not Applicable

Liquidity Position Adequate

Nova Group's liquidity is adequately marked by sufficient net cash accruals against its maturing debt repayment obligations. The group's net cash accruals stood at Rs. 29.25 crore as on March 31, 2025 against maturing debt repayment obligation of Rs. 6.15 crore for the same period. The cash and bank balances of the group stood at Rs. 3.65 crore as on March 31, 2025. The current ratio stood at 2.32 times as on March 31, 2025. However, the working capital operations of the group are intensive, marked by its gross current asset (GCA) days of 324 days for FY25 as against 359 days for FY24. The average bank limit utilisation for the 05-month period ended May 2025 stood around ~93 per cent for the fund-based limits.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	294.14	252.48
PAT	Rs. Cr.	27.42	28.31
PAT Margin	(%)	9.32	11.21
Total Debt/Tangible Net Worth	Times	0.25	0.32
PBDIT/Interest	Times	8.60	4.91

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>
- 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. Acuite'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
21 Aug 2024	Cash Credit	Long Term	20.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	0.44	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	0.46	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	0.93	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
24 May 2023	Cash Credit	Long Term	12.00	ACUITE BBB- Stable (Reaffirmed)
	Cash Credit	Long Term	8.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.83	ACUITE BBB- Stable (Reaffirmed)
30 Mar 2022	Cash Credit	Long Term	12.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.83	ACUITE BBB- Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Union Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	20.00	Simple	ACUITE BBB Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.93	Simple	Not Applicable Withdrawn
Union Bank of India	Not avl. / Not appl.	Term Loan	01 Jun 2021	Not avl. / Not appl.	01 May 2025	0.44	Simple	ACUITE BBB Reaffirmed & Withdrawn
Union Bank of India	Not avl. / Not appl.	Term Loan	12 Nov 2021	Not avl. / Not appl.	01 Nov 2026	0.46	Simple	ACUITE BBB Reaffirmed & Withdrawn

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

Sr.No.	Company Name
1	Nova Agritech Limited
2	Nova Agri Sciences Private Limited

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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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