

BR Agrotech Limited

December 23, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	110.00	CARE A+; Stable	Reaffirmed
Short-term bank facilities	4.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of BR Agrotech Limited (BRAL) derives strength from long track record of its promoters operating in agrochemical industry and company being part of the Bharat Group with integrated business operations marked by its presence in the entire value chain (and its group company Bharat Rasayan Limited [BRL; rated CARE AA-; Stable; CARE A1+]). Ratings also continue to draw strength from benefits emanating from diversified product mix offered by the group, wide geographical presence and long-term association with reputed customers.

Ratings further derive strength from the sustained improvement in BRAL's operational performance in FY25, supported by better realisations and easing global destocking pressures that had impacted FY24. The company reported a 10% growth in total operating income (TOI) to ₹1,089 crore in FY25 from ₹993.8 crore in FY24. However, profit before interest, lease rentals, depreciation and taxation (PBILDT) margins declined to 4.62% in FY25 from 6.79% in FY24, considering bad debt provisions of ₹27.46 crore pertaining to a single customer. Excluding this one-off impact, the company's underlying performance remained healthy, with adjusted PBILDT increasing by ~15% y-o-y to ₹77.8 crore in FY25 against ₹67.5 crore in the previous year. Improvement continued in H1FY26, with TOI growth of 13% y-o-y to reach ₹779.7 crore with healthy PBILDT margins of 7.91% from 6.87% in H1FY25.

Ratings also continue to factor in from BRAL's comfortable financial risk profile, supported by zero long-term debt, low working capital utilisation and adequate net worth base of ₹ 287.59 crore as on March 31, 2025. Capital structure remains robust with an overall gearing of 0.05x as on March 31, 2025, while debt coverage indicators are strong with interest coverage ratio of 29.77x (PY:29.13x). BRAL's strong liquidity is supported by free liquidity balance of ₹78.14 crore, against a total debt of ₹13.80 crore.

However, rating strengths remain partially constrained by the company's presence in a highly competitive and fragmented agrochemical industry with exposure towards monsoon and climatic conditions, foreign currency fluctuations and working capital intensive operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improving total operating income (TOI) by over ₹1,200 crore with operating margins at 8% or more, while maintaining its comfortable leverage and debt coverage indicators on a sustained basis.

Negative factors

- Significantly increasing working capital cycle on a sustained basis.
- Deterioration in its capital structure with total debt to earnings before interest, taxation, depreciation, and amortisation (TD/EBITDA) above 2.50x on a sustained basis.

Analytical approach: Standalone

However, ratings factor in linkages with the group company BRL owing to common promoters and strong business and operational linkages.

Outlook: Stable

Stable outlook reflects CareEdge Ratings' opinion that the company will continue to maintain a comfortable business and financial risk profile with continuation of benefits, arising from strong operational and business linkages with flagship entity, BRL.

¹Complete 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

Experienced and resourceful promoters with long track record of operations in agro-chemical industry

Being part of the Bharat group, BRAL benefits from the group's long track record of operations and experienced management. The Bharat group is one of the leading manufacturers of technical grade agro-chemicals in India and has been engaged in the operations of manufacturing and selling agro-chemical with promoter's experience spanning over four decades. SN Gupta, Chairman and Managing Director (MD) of BRL, is a postgraduate in economics and has vast experience in international business, overall marketing strategy and corporate planning. MP Gupta (Whole-time director of BRL and director of BRAL) is a graduate in commerce, with over four decades of relevant industry experience, and overlooks banking, finance, taxation, accounts, and administration functions. RP Gupta, whole-time director and CEO of BRL and director of Bharat Certis Agriscience Limited (BCAL), having over three decades of experience in the agrochemical industry, looks after research and development (R&D), production, and project execution activities. The group's directors are supported by a team of professionals with rich experience in varied spheres of business.

Integrated operations offering diversified product mix

BRAL is primarily engaged in manufacturing formulations and polyethylene terephthalate (PET) bottles in FY25, income from formulations accounted for 77% (PY: 71.08%), sale of technical accounted for 17% (PY: 23.10%) and PET bottle sales accounted for 5.00% (PY: 5.82%) of its gross sales. Approximately 40% of the company's revenue is derived from contract manufacturing, while ~50% comes from direct bulk sales to institutional customers. Remaining share is contributed by PET bottle sales and trading sales (for technical and formulations both). BRL is majorly in manufacturing of technical grade pesticides and sales of technical grade pesticides are made to group companies, which use it as a raw material for manufacturing formulations. In FY25, BRAL procured 30% of raw material requirements from BRL. BRAL also re-sells technical grade pesticides; however, they carry a very lower margin of ~3%-4% on resale. The group derives cost advantage from integrated operations through lower dependence on import of technical grades which is the key input for manufacturing formulations.

Reputed client base with long-standing relationships

BRAL majorly supplies its product in the domestic market, which accounted for ~98.42% of total sales of BRAL in FY25 (98.68% in FY24) and exports to countries such as Egypt, Ethiopia, Iraq and the UAE. The company is dealing with esteemed customers including Sumitomo Chemical India Limited, Rallis India Limited and Chambal Fertilizers and Chemicals Limited. BRAL has ~5-15% of import dependency and remaining as domestic raw material purchase in FY25. The company sources ~30% raw material requirements from its group company, BRL. The group has a large institutional customer base in domestic and international markets with long-standing relationship and low client concentration risk.

Comfortable financial risk profile with growing revenue

The company reported a 10% growth in TOI to ₹1,089 crore in FY25 from ₹993.8 crore in FY24, majorly due to increase in income from formulations. Improvement continued in H1FY26, with TOI growth of 13% y-o-y to reach ₹779.7 crore with healthy PBILDT margins of 7.91%, against 6.87% in H1FY25. However, PBILDT margins declined to 4.62% in FY25 from 6.79% in FY24, considering bad debt provisions of ₹27.46 crore, pertaining to a single customer. Excluding this one-off impact, the company's underlying performance remained healthy, with adjusted PBILDT increasing by ~15% y-o-y to ₹77.8 crore in FY25 against ₹67.5 crore in the previous year.

The company's capital structure remains robust marked by zero long term debt, and healthy net worth base of ₹287.59 crore as on March 31, 2025, against ₹306.04 crore as on March 31, 2024. Decline in net worth is primarily attributable to a share buyback undertaken in FY25, amounting to ₹49.88 crore. The company's total debt stood at ₹13.80 crore as on March 31, 2025 (Nil as on March 31, 2024), entirely comprised of working capital borrowings with nil term loan. Overall gearing stood comfortably at 0.05x as on March 31, 2025 (PY: 0.00x), and other debt coverage indicators were also healthy including interest coverage ratio of 29.77x (PY: 29.13x). Going forward, the company is likely to have nil long-term debt and having strong capital structure, in absence of major capex plans and strong cash generations.

Key weaknesses

Exposure towards foreign currency fluctuation risk

BRAL is exposed to foreign currency fluctuation risk, as the company imports technical grades for trading purpose. Since there is negligible export sales against this, there is no benefit from natural hedging. In FY25, the company did not hedge its foreign currency exposure. In the year, the company booked foreign exchange gain of ₹0.46 crore against ₹0.56 crore booked in FY24.

Profitability susceptible to sales on monsoon and climatic conditions

The pesticide/crop protection industry derives its sales from the agriculture sector, which highly depends on monsoons and incidence of fungal/pest attack on crops. Major fluctuations in total rainfall and its distribution affect the crop and overall productivity and has a direct correlation with sales and profitability of the pesticides industry. However, BRAL has its presence spread across all states and in multiple markets (domestic and international), which reduces the group's dependence on climatic conditions of a particular region.

Exposure towards highly regulated and competitive agrochemical industry

The pesticides industry is marked by heavy fragmentation with the absence of key player having sizeable market share. Intense competition leads to competitive pricing and lower margins.

Pesticides are regulated products and require prior registration with relevant governing authorities in each country before they are allowed to be sold. The industry also faces regulatory risk due to prohibited usage of certain molecules. However, risk is mitigated as BRAL strong expertise in the agrochemical industry, with repetitive orders from its established clientele.

Working capital intensive operations due to high inventory requirements

The agro-chemical industry requires high working capital investment due to high Inventory and long credit period. Commoditised nature of products and seasonality factor (high demand in crop sowing seasons) makes the group's operations highly working capital intensive. Around 60% sales for the whole year are done in the first half for the Bharat Group and most sales are done on a credit of ~90-120 days to its customers, resulting in high debtors in the first half of the year. This results in high working capital requirement by the group in first half of compared to second half of the year. Due to seasonal demand for agro-chemicals, the group is required to stack up variety of products as inventory in advance of the season, resulting in high inventory holding period, which is a common phenomenon across agro-chemical industry. This increases inventory holding cost. Since agro-chemical are the last link in the agricultural operation, after having invested in seeds, and fertilizers among others, farmers have little surplus money for purchasing agro-chemicals. Therefore, providing credit is necessary to stimulate demand. Although BRAL receives credit period of 90 days from its suppliers, the company makes early payments to its suppliers, considering early payment discount. Thus, due to such intrinsic nature of business, the group's working capital requirement continues to remain high.

In FY25, the company's operating cycle stood at 61 days (PY: 72 days). BRAL has a high collection period as it provides a credit period of 90-120 days to its domestic customers. The company's trade receivables increased from ₹272.86 crore as on March 31, 2024, to ₹280.06 crore as on March 31, 2025, which is attributable to increased sale in FY25. There has been an increase in the company's trade payables from ₹155.17 crore in FY24 to ₹249.10 crore in FY25, primarily driven by higher procurement undertaken in the last few months of the financial year. However, comfort has been taken since the company sources ~30% of its raw material requirements from its group company, BRL.

Liquidity: Strong

The company's liquidity is marked by healthy gross cash accruals of ~₹66.2 crore in FY25 (excluding one off items, bad debts) and expectations of ₹60-70 crore in FY26, against zero debt payment obligations. BRAL's free cash and cash equivalents stood at ₹78.14 crore as on March 31, 2025 (against total debt of ₹13.80 crore), which increased from ₹26.40 crore as on March 31, 2024, owing to healthy cash generation and faster turnaround on y-o-y basis as operating cycle reduced to 61 days in FY25 from 72 days in FY24. Its unutilised fund-based bank lines are more-than-adequate to meet its incremental working capital needs (average utilisation remained less than 10% for 12 months ending with September 30, 2025, against sanctioned limit of ₹110.00 crore). The company does not have major capex plans in the near future, given that existing facilities are adequately meeting operational requirements. The company has routine capex planned of ~10-15 crore, which shall be met out of its internal accruals.

Going forward with no debt repayments schedule, sufficient headroom under working capital utilisation and healthy cash generation, BRAL is expected to maintain its strong liquidity position. With a low gearing of 0.05x as on March 31, 2025, BRL has sufficient gearing headroom to raise additional debt for its capex needs.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Nonfinancial Sector](#)

[Pesticides & Agrochemicals](#)

[Short Term Instruments](#)

About company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Fertilizers and agrochemicals	Pesticides and agrochemicals

BRAL was incorporated in February 2000, and is part of the Bharat group, which comprises the flagship entity, BRL (rated 'CARE AA-; Stable/CARE A1+'). BRAL is engaged in manufacturing formulations and PET bottles at its plants in Kathua, J&K and Kala Amb, Himachal Pradesh, with a total installed capacity of 60,000 MT/KL per annum. BRAL is in contract (toll) manufacturing and caters to large institutional customers.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	993.76	1,089.16	779.7
PBILDT	67.47	50.29	61.7
PAT	46.34	31.51	38.7
Overall gearing (times)	0.00	0.05	NA
Interest coverage (times)	29.13	19.26	NA

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

*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		-	-	-	110.00	CARE A+; Stable
Non-fund-based - ST-BG/LC		-	-	-	4.00	CARE A1+

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	110.00	CARE A+; Stable	-	1)CARE A+; Stable (06-Dec-24)	1)CARE A+; Stable (12-Mar-24) 2)CARE A+; Stable (27-Dec-23)	1)CARE A+; Stable (03-Jan-23)
2	Non-fund-based - ST-BG/LC	ST	4.00	CARE A1+	-	1)CARE A1+ (06-Dec-24)	1)CARE A1+ (12-Mar-24) 2)CARE A1+ (27-Dec-23)	1)CARE A1+ (03-Jan-23)

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	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated: Not applicable

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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