Bharat Rasayan Limited

December 18, 2025

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	149.00	CARE AA-; Stable	Reaffirmed
Short-term bank facilities	101.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of Bharat Rasayan Limited (BRL) continues to derive strength from the long track record of promoters in the pesticides industry and the group's integrated operations marked by their presence across the entire value chain of the agrochemical industry. Ratings also continue to draw strength from benefits emanating from the company's diversified product mix including technical, formulations and intermediates, wide geographical presence and long-term association with reputed customers.

Ratings further derive strength from recovery in BRL's operational performance in FY25, supported by improved domestic demand, better realisations, and easing global destocking pressures that impacted FY24. In FY25, the company registered 12% growth in total operating income (TOI) and with profit before interest, lease rentals, depreciation and taxation (PBILDT) margins improving to 15.6% (FY24: 12.5%). Improvement continued into H1FY26, with TOI of ₹663.4 crore and PBILDT of ₹102.4 crore, reflecting growth of 9% and 20% on a year-on-year basis. However, export demand continued to remain subdued due to adverse climatic conditions, oversupply, and cautious buying behaviour in key export markets.

Ratings also continue to factor in from BRL's robust financial risk profile, supported by zero long-term debt, low working capital utilisation and a healthy net worth of ₹1,130 crore as on March 31, 2025 (FY24: ₹987.80 crore). Capital structure remains robust with an overall gearing of 0.08x, while debt coverage indicators are comfortable with Term Debt to gross cash accruals (GCA) at 0.49x. BRL's strong liquidity is supported by free liquidity balance of ₹285.51 crore, against a total debt of ₹85.22 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: Factors that could individually or collectively lead to positive rating action/upgrade:

- The company's ability to enhance its scale of operations over ₹1,400 crore and PBILDT margin over 15% on a sustained basis.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Significant increase in the working capital cycle on a sustained basis impacting BRL's liquidity profile.
- Sharp decline in revenue growth and fall in operating profitability margins below 10% on a sustained basis materially impacting cash generation.
- Deterioration in its capital structure with total debt/PBILDT beyond 1.5x on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has taken the consolidated approach, factoring the linkages with joint venture (JV) 'Nissan Bharat Rasayan Private Limited' (30% holding of BRL) with strong operational and financial synergies. Entities consolidated are listed under Annexure-6.

Outlook: Stable

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

Detailed description of key rating drivers

Key strengths

Integrated operations offering diversified product mix

BRL has a leading market position in many technical and intermediate products, including Lambda Cyhalothrin Technical, Meta phenoxy Benzaldehyde, Metribuzine Technical, Thiamethoxam (Insecticides) and Fipronil (Insecticides) among others. Though

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

there is a slight product concentration risk, as BRL's top three products accounts for ~25% of BRL's total sales in FY25 (FY24: 28.5%) and ~26.8% of BRL's total sales in H1FY26.

BRL's portfolio primarily consists of products with LD values ranging from 51 to 5000. The company is supported by a dedicated research and development (R&D) team that consistently works on developing innovative new products, ensuring a dynamic and evolving product lineup.

Technicals accounted for 72.73% of total sales in FY25 (PY: 59.7%), intermediates accounted for 17% (PY: 34.84%) and formulation grades accounted for 9.19% (PY: 3.59%). The group derives cost advantage from integrated operations through lower dependence on imports of technical, which is the key input for manufacturing formulations.

Long-standing relationship with reputed customer base

The company supplies its products in local and overseas locations and has a long-standing relationship with reputed customers, including NISSEI Corporation, Syngenta Crop, Sumitomo Chemical Company Limited, Shanghai Agro tree Chemical Corporation Limited, and Rallis India Limited among others. BRL has 489 domestic registrations and 123 international registrations and has been exporting its products to over 24 countries across the globe. However, BRL is exposed to moderate client concentration risk, as its top 10 customers accounted for ₹ 621.06 crore in FY25 (~52.50% total operating income [TOI]) compared to ₹584.60 crore 55.19% TOI in FY24.

BRL also has long-standing associations with several reputed Japanese players and holds a 30:70 JV with Nissan Chemical Corporation (NCC), which commenced commercial production in March 2023. The JV reported a total income of ₹373 crore in FY25 and ₹134 crore in H1FY26, with a profit after taxation (PAT) margin of 14% in FY25 and -6% in H1FY26. The negative PAT in H1FY26 was primarily considering a notional foreign exchange loss booked in the profit and loss account.

Recovery in domestic demand in FY25 and strong financial risk profile

In FY25, domestic demand recovered following above-average rainfall in key crop areas, supporting a rebound in operational performance after reporting a year-over-year degrowth due to weak industry-wide demand and a decline in prices driven by EL Nino and destocking by Chinese counterparts. In FY25, the company reported TOI of ₹1,183 crore (PY: ₹1,059.26 crore), PBILDT of ₹185.04 crore (₹ 132.32 crore), and a margin of 15.6% (PY:12.5%). The recovery continued into H1FY26, with TOI of ₹663.4 crore and PBILDT of ₹102.4 crore, reflecting growth of 9% and 20% on a year-on-year basis, respectively.

The company's financial risk profile remains robust, marked by zero long-term debt, low working capital utilisation and a healthy net worth of ₹1,130 crore as on March 31, 2025. Capital structure remains strong with an overall gearing of 0.08x, while debt coverage metrics continue to be comfortable with Term Debt/GCA at 0.49x. The company is evaluating a capex opportunity for total cost outlay of ₹500 crore for setting up a new plant in Gujarat, which will done in a phased manner, apart from routine capital expenditure of ₹50-60 crore annually. CareEdge Ratings envisages that the company has healthy cash generation and strong liquidity at present to undertake the capex, with minimal requirement of external debt.

The company has a strong liquidity position, reflected in total liquidity of ₹285.51 crore, comprising ₹55 crore in cash and ₹230 crore in mutual funds, against a total debt of ₹85.22 crore as on March 31, 2025. Liquidity improved considering healthy GCA of ₹172 crore in FY25 and a shorter operating cycle of 189 days (FY24: 212 days). With no debt repayment obligations, adequate working capital headroom, expected GCA of over ₹150 crore in FY26, and low gearing, BRL is expected to maintain a strong liquidity profile and retains sufficient financial flexibility to raise debt.

Experienced and resourceful promoters with long track record of operations in pesticides industry

BRL is part of the Bharat group; one of the leading manufacturers of technical grade pesticides in India and has been engaged in manufacturing and selling pesticides for over four decades. The company's promoters have also extended support in terms of financial assistant to working capital requirements of the company in the past. The group's directors are supported by a team of professionals with rich experience in varied spheres of business.

Key weaknesses

Profitability and sales susceptible to 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, the risk is partially mitigated through the company's wide geographical presence covering over 21 states in India and over 24 countries, which reduces dependence on a particular crop and minimises adverse impact of unfavourable monsoon season or crop infection in specific state or 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. Traditionally, Indian players concentrated on marketing generic and off-patent products with little expenditure on research and development (R&D), while MNCs focused on developing patented molecules. BRL is supported by a dedicated R&D team that consistently works on developing innovative new products, ensuring a dynamic and evolving product lineup. The company incurred an R&D expense of ₹3.89 crore in FY25.

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 BRL strong expertise in the manufacturing of technical grade and formulations, with repetitive orders from its established clientele.

Exposure towards foreign currency fluctuation risk
The Bharat Group is exposed to foreign currency fluctuation risk, as BRL's export sales constitute ~around 26% of the company's total sales in FY25 (PY: ~36.13%). BRL is also importing raw materials for manufacturing technical grade pesticides, as ~50% of the total purchases is imported, mainly from China (85% of total imports), Japan (12-14%) and balance from other countries. Thus, foreign exchange fluctuation risk is reduced, partially considering natural hedge available in the form of export sales by the company, with no major hedging undertaken. The company has booked forex gain of ₹8.49 crore in FY25 (PY: ₹ 13.51 crore), considering favourable exchange rate fluctuation. However, long-term relationship with reputed customers, wide geographical presence, and quality of its products insulates the company from adverse demand-supply scenario in particular country or state.

Working capital intensive operations due to high inventory requirements and longer collection period
The pesticide industry requires high working capital investment due to high inventory holding and longer credit period on sales due to the commoditised products and seasonality factor. Average inventory holding remains at elevated level and stood ~101 days in FY25, though slightly reduced from 116 days in FY24. Providing extended credit is necessary to stimulate demand as farmers are left with little surplus money for purchasing pesticides after having invested in seeds, and fertilisers, among others, since pesticides are the last link in the agricultural operation. BRL generally extends credit of ~90 days-120 days to its customers reflected through average collection period of 126 days in FY25, against 125 days in FY24, whereas the company makes early payments to its suppliers for availing early payment discount from domestic suppliers and purchases on cash basis from foreign suppliers, resulting in average creditor period of ~39 days in FY25 (PY: 29 days).

The company's working capital cycle improved to 188 days in FY25 (PY: 212 days). Going forward, significant elongation in operating cycle that may increase reliance on working capital limits, or material receivable write-offs due to bad debts, will remain key rating monitorable.

Liquidity: Strong
The company's liquidity is strong, marked by healthy GCA ~₹172.26 crore for FY25 (PY: ₹123.81 crore), and expectations of continued strong profitability levels with GCA of over ₹150 crore in FY26, against zero debt repayment obligations. The company's liquidity stood at ₹285.51 crore as on March 31, 2025 (against total debt of ₹85.22 crore) comprising of ₹230.1 crore investments in mutual funds and ₹55.41 crore in cash and cash equivalents, which increased from total liquidity of ₹124.64 crore as on March 31, 2024, owing to healthy cash generation and faster turnaround on y-o-y basis as operating cycle reduced to 189 days in FY25 from 212 days in FY24. Average cash credit (CC) utilisation for 12 months ending September 2025 stood comfortable at 42.38%.

Going forward with no debt repayments schedule, sufficient headroom under working capital utilisation and health cash generation, BRL is expected to maintain its strong liquidity position. With a low gearing of 0.08x as on March 31, 2025, BRL has sufficient gearing headroom to raise additional debt for its capex needs.

Environmental, social and governance (ESG) risks
Agro-chemical manufacturers have a high impact on environment primarily driven by high power consumption in their manufacturing process. The sector also has a significant social impact because of its large workforce across its own operations and value chain partners, and due to its operations affecting local community and health hazards involved. BRL has been focusing on mitigating its environmental and social risks.

Environmental: BRL being engaged into manufacturing of agrochemicals generates bio-hazardous waste and to reduce the adverse impact of the same, BRL has adopted various mitigating measures for the waste treatment in a proper manner through a Zero liquid discharge unit, effluent treatment plant, multi effect evaporator, ATFD and reverse osmosis plant. All the treated effluent is recycled back to process and cooling towers. The sludge/salt generated is disposed of at pollution control board approved treatment, storage and disposal facility (TSDF**)**, while the company operates ETP, MEE, ATFD and RO plants, enabling treatment and complete recycling of effluents for reuse in processes and cooling towers. Hazardous and non-hazardous wastes are segregated, stored in dedicated facilities and disposed of through authorised recyclers within stipulated timelines. In FY25, BRL recycled 31,848.26 MT of hazardous waste and safely landfilled 14,043.89 MT. Further, BRL's two Ministry-certified R&D centres continuously work on waste minimisation and low-emission product development.

Social: The company also regularly organises employee engagement programmes. Outcome of these programmes is submitted to concerned heads and to the board of directors for their review, as required. BRL had spent ₹3.51 cores in FY25 (PY: ₹4.22 crore) towards CSR activities across states of India and focussed on disadvantaged, vulnerable and marginalised segments of the society through supporting rural children's education and promoting healthcare.

Governance: BRL has in place a well-structured corporate governance framework to operate more efficiently and to ensure best interests of its stakeholders. The board of directors, as on March 31, 2025, comprises 10 directors, of whom five are executive directors and five are non-executive and independent directors (comprising one women).

Applicable criteria

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
Consolidation approach

About company and industry

Industry classification

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

BRL was incorporated in 1989 and is the Bharat group's flagship company, which also comprises B R Agrotech Limited (rated CARE A+; Stable/CARE A1+) and Nissan Bharat Rasayan Private Limited (a 30:70 JV between BRL and Nissan Chemical Corporation). Promoters also hold 44% stake in the erstwhile group entity Bharat Certis Agriscience Limited, earlier known as Bharat Insecticides Limited. BRL has presence in diverse product segments of agrochemical industry including insecticides, herbicides, fungicides, their formulations and intermediates and operates through its two manufacturing units at Mokhra (Haryana)- 4260 MTPA and Dahej (Gujarat)- 29,200 MTPA. BRL is among the leading manufacturers of technical grade pesticides in India and also has two Star Export house recognition from the government. The company caters over 24 countries including Japan, Switzerland, Singapore, Israel and the US among others.

Brief Financials- Consolidated (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	1059.26	1182.99	663.4
PBILDT	132.32	185.04	102.4
PAT	95.51	140.92	67.34
Overall gearing (times)	0.08	0.07	NA
Interest coverage (times)	44.68	38.19	45.11

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

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		-	-	-	149.00	CARE AA-; Stable
Non-fund-based - ST-BG/LC		-	-	-	101.00	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	149.00	CARE AA-; Stable	-	1)CARE AA-; Stable (09-Dec-24) 2)CARE AA-; Stable (04-Apr-24)	1)CARE AA-; Stable (27-Dec-23)	1)CARE AA-; Stable (03-Jan-23) 2)CARE AA-; Stable (25-May-22)
2	Non-fund-based - ST-BG/LC	ST	101.00	CARE A1+	-	1)CARE A1+ (09-Dec-24) 2)CARE A1+ (04-Apr-24)	1)CARE A1+ (27-Dec-23)	1)CARE A1+ (03-Jan-23) 2)CARE A1+ (25-May-22)
3	Commercial Paper-Commercial Paper (Carved out)	ST	-	-	-	1)Withdrawn (04-Apr-24)	1)CARE A1+ (27-Dec-23)	1)CARE A1+ (03-Jan-23) 2)CARE A1+ (25-May-22)
4	Commercial Paper-Commercial Paper (Standalone)	ST	-	-	-	1)Withdrawn (04-Apr-24)	1)CARE A1+ (27-Dec-23)	1)CARE A1+ (03-Jan-23) 2)CARE A1+ (25-May-22)

LT: Long term; ST: 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

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Nissan Bharat Private Limited	Proportionate	Operational and Financial Linkages

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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