

12th October, 2026

To

BSE Limited,

Listing Department, P J Towers,

Dalal Street,

Mumbai – 400 001

National Stock Exchange of India Limited,

Listing Department, Exchange Plaza,

Bandra-Kurla Complex, Bandra (E),

Mumbai – 400 051

Scrip Code: 544100

Trading Symbol: NOVAAGRI

SUB: Intimation of Revision in Credit Rating

Ref.: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

With reference to the above-cited subject, please find enclosed Credit Rating issued by CARE Ratings Limited ("CARE") vide letter dated 12th October, 2026 w.r.t. credit facilities obtained by Nova Agritech Limited ("the Company") and Nova Agri Sciences Private Limited ("Material Subsidiary").

CARE Ratings Limited has reaffirmed the rating of long-term credit facilities at CARE BBB and revised the outlook from 'CARE BBB Negative' to 'CARE BBB- Stable' for both Nova Agritech Limited and its Material Subsidiary. Press Release issued by "CARE" is annexed herewith.

Reason for Downgrade of ratings	As per "CARE", Revision in outlook of bank facilities of Nova Agritech Limited & its material subsidiary is primarily on account of lower-than expected performance in Q4FY26, as the government-imposed stay on bio-stimulants in July 2025; which formed ~30% segment's revenue share leading to lower revenue and profitability margins. Further the company's liquidity remained tight due to higher receivables leading to increased reliance on working capital borrowings and impacted the operating cycle.
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Please take the same on record and suitably disseminate it to all concerned.

Thanking you!

For Nova Agritech Limited

GOPI

MALLIKHARJUN

A RAO AVVARU

Gopi Mallikharjuna Rao Avvaru

Company Secretary & Compliance Officer

Encls as above

Digitally signed by GOPI
MALLIKHARJUNA RAO
AVVARU
Date: 2026.10.12 18:20:14
+05'30'

No. CARE/HRO/RL/2026-27/1375

Shri Kiran Kumar Atukuri
Managing Director
Nova Agritech Limited

SY No 251/A/1, Nova Agritech, Baswapur Road,
Singannaguda Village, Siddipet,
Hyderabad
Telangana 502336



October 12, 2026

Confidential

Dear Sir,

Credit rating for bank facilities

Please refer to our rating letter No. CARE/HRO/RL/2026-27/1328 dated October 01, 2026, and your representation letter dated October 01, 2026 on the above subject.

2. Our Rating Committee has carefully reconsidered the representation made by you regarding the revision in rating assigned to the above mentioned bank facilities. It has, however, not been found possible to upgrade the rating for the facilities and the rating stands at '**CARE BBB-; Stable**' for long-term facilities. In this connection, we assure you that the facts mentioned in your letter under reference were considered while deciding the rating.!

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Bhushanreddy Ankilla
Lead Analyst

Niraj Thorat
Assistant Director

CARE Ratings Limited

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CIN-L67190MH1993PLC071691

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CIN-L67190MH1993PLC071691

Nova Agritech Limited

October 12, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long-term bank facilities	RBI	30.99	CARE BBB-; Stable	Downgraded from CARE BBB; Negative

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in the rating to bank facilities of Nova Agritech Limited (NAL) factors in moderation in scale of operations and profitability, and increased working capital intensity, which adversely affected liquidity. Elongation in operating cycle considering stretched receivables led to sustained reliance on bank borrowings, as reflected in the high average utilisation of fund-based working capital limits, occasional use of ad hoc facilities, and low free cash balances.

The rating continues to derive comfort from the group's comfortable capital structure and satisfactory debt coverage indicators, despite moderation during the year. It also factors in extensive experience of promoters and management team, the group's diversified product portfolio across crop nutrition, crop protection, and soil health segments, and its established distribution network.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total operating income (TOI) improving above ₹300 crore with a sustainable profitability margin of over 18%.
- Operating cycle improving below 200 days.

Negative factors

- Decline in TOI and profit before interest, lease rentals, depreciation, and taxation (PBILDT) levels by over 20% for the projected period.
- Further deterioration in the operating cycle and stretch in liquidity position.

Analytical approach: Consolidated

The consolidated financials of NAL and its wholly owned subsidiaries, Nova Agri Sciences Private Limited (NASPL) and Nova Agri Seeds India Private Limited (NASIPL), have been considered for the rating. Entities considered for consolidation is provided in Annexure-5.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects the group's operations to remain stable, supported by its established and diversified customer base and the promoters' extensive industry experience.

Detailed description of key rating drivers:

Key strengths

Comfortable capital structure and debt coverage metrics

As on March 31, 2026, the group's capital structure continued to remain comfortable. The overall gearing improved to 0.22x as on March 31, 2026, from 0.25x as on March 31, 2025, while total outside liabilities to tangible net worth (TOL/TNW) ratio moderated to 0.49x from 0.53x in the same period. Debt profile remained largely characterised by utilisation of working capital borrowings, with only a modest proportion comprising term debt obligations. The group's consolidated net worth stood strong at ₹231.23 crore as on March 31, 2026.

Although debt coverage indicators moderated in FY26 owing to a decline in operating margins, they continued to remain at comfortable levels. The PBILDT interest coverage ratio stood at 5.63x in FY26 against 8.13x in FY25, reflecting impact of relatively lower profitability on coverage metrics. Similarly, total debt to PBILDT ratio increased to 1.84x in FY26 from 1.28x in FY25. Overall

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

debt protection metrics continued to remain satisfactory, supported by the group's conservative capital structure, adequate cash accruals, and moderate debt levels.

Experienced promoters and professional management team

The group is led by an experienced management team with extensive knowledge and expertise in the agricultural input industry. The group's promoter and Managing Director, Kiran Kumar Atukuri, having over two decades of experience spanning agri-chemicals, seeds, fertilizers, and allied agricultural businesses. He plays a pivotal role in formulating the group's strategic direction and is actively involved in key corporate decision-making processes. He oversees the company's overall business operations, with particular focus on manufacturing, procurement, marketing, and sales functions. The management team is supported by qualified professionals possessing complementary technical, commercial, and operational expertise, which enables efficient execution of business strategies and day-to-day operations. Extensive industry experience of promoters and senior management is expected to continue supporting the group's growth prospects, operational efficiency, and customer relationships in the medium term.

Diversified product portfolio

The group has developed a diversified portfolio of branded agricultural input products, enabling it to cater to a wide spectrum of farming requirements across crop cycles and geographies. Its broad product offering spans key segments of soil health management, crop nutrition, and crop protection, providing integrated solutions to farmers for enhancing productivity, improving soil quality, and safeguarding crop yields. Under the soil health management segment, the group offers products such as organic fertilisers, bio-fertilisers, and soil conditioners, which support sustainable farming practices and improve long-term soil fertility. The crop nutrition portfolio comprises a comprehensive range of products, including micronutrient fertilisers, beneficial element fertilisers, straight nitrogen fertilisers, straight potash fertilisers, and 100% water-soluble NPK fertilisers, addressing varied nutritional requirements of different crops across stages of growth. The group has presence in the crop protection segment through products such as insecticides, fungicides, herbicides, and plant growth regulators, which assist farmers in protecting crops from pests, diseases, and adverse environmental conditions. Diversified nature of the product portfolio reduces dependence on a single product category while enhancing the group's ability to meet evolving customer requirements.

Extensive distribution network supporting market reach

The group markets, sells, and distributes its diversified portfolio of agricultural products to farmers across India through a well-established and extensive distribution network. The group's distribution ecosystem comprises over 6,000 active dealers, who collectively procure and facilitates the sale of its products across multiple geographies. The dealer network has a strong presence across 18 states in India, enabling the group to maintain broad market penetration and an effective channel for product reach and customer engagement. In addition to its domestic operations, the group has undertaken strategic initiatives to expand its footprint in international markets. It has entered marketing, distribution, and supply agreements with reputed third-party partners in Bangladesh, Sri Lanka, and Vietnam, which are expected to support the commercialisation of its products in these markets upon receipt of the requisite regulatory approvals and permissions.

Key weaknesses**Moderation in scale of operations**

At the consolidated level, the group reported a moderation in its total operating income (TOI) to ₹261.59 crore in FY26 from ₹294.13 crore in FY25, primarily considering regulatory disruptions affecting the bio-stimulants business of NAL. , the Government of India cancelled over 8,000 provisional registrations for bio-stimulant products, permitting the sale of only 146 approved products under the fertilizer control order (FCO). From June 17, 2025, the manufacture and sale of bio-stimulants without requisite approvals was discontinued, resulting in an immediate supply disruption across the industry as market participants awaited regulatory clearances for their products. However, NAL secured approvals for 43 bio-stimulant products on January 21, 2026, valid up to September 29, 2029, which is expected to facilitate restoration of product availability and support revenue growth from FY27 onwards.

Moderation in profitability

Decline in scale of operations, and changes in the product mix, also exerted pressure on profitability in FY26. The group's operating profitability, as reflected by the PBILD margin, declined to 10.45% in FY26 from 14.51% in FY25. Moderation was primarily attributable to the significant contraction in the bio-stimulants segment, which contributes comparatively higher margins. Profitability was also impacted by elevated operating expenses, including higher employee costs following the commissioning and operationalisation of NASPL's new manufacturing facility in July 2025. Increased transportation, promotional and marketing expenditures incurred towards the expansion of the product portfolio and launch of new products further weighed on overall margins during the year.

Elongated operating cycle

The group's working capital intensity remained high, as reflected in its elongated operating cycle in the last five years, primarily driven by a stretched receivables position. Operating cycle further elongated to 295 days in FY26 from 217 days in FY25, primarily due to a significant increase in the average collection period to 252 days from 186 days in the corresponding period. The elongation in receivables was largely attributable to the inherently extended credit terms prevalent in the agriculture industry, where the group extends credit of up to six months to its dealer network to support product distribution and sales.

The receivables profile remained a key monitorable, with ~48% of the group's outstanding receivables remaining overdue for over six months as on March 31, 2026. The elevated receivables level resulted in higher working capital requirements and exerted pressure on the group's liquidity position. The management expects gradual realisation of the outstanding debtors, aided by its established relationships with dealers and the seasonal nature of collections in the agri-input industry. Going forward, the group's ability to improve collections and moderate the working capital cycle will remain a key credit monitorable.

Liquidity: Stretched

The group's liquidity position remained stretched, characterised by high utilisation of working capital facilities and modest free cash balances. Average utilisation of the group's fund-based working capital facilities remained high at ~96% during the twelve-month period ended August 31, 2026, indicating limited cushion available in existing banking lines. The group resorted to utilisation of ad-hoc working capital limits in certain months to meet incremental funding requirements arising from its elongated working capital cycle. Free cash and bank balances stood at ₹0.27 crore as on March 31, 2026. Although the current ratio stood comfortable at 2.64x on March 31, 2026, quality of current assets remains impacted by significant proportion of receivables outstanding for extended periods. Elevated debtor levels and slower realisation of receivables continue to exert pressure on liquidity and increase dependence on external working capital borrowings.

Liquidity risk is partly mitigated by the group's low scheduled debt repayment obligations and expected generation of adequate gross cash accruals, which are likely to remain sufficient to meet its debt servicing requirements in the medium term. Going forward, the group's ability to improve collection efficiency, reduce reliance on short-term borrowings, and strengthen its liquidity buffer will remain key monitorable from a credit perspective.

Assumptions/Covenants: Not applicable

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

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](#)

[Pesticides & Agrochemicals](#)

About the company and industry

Industry classification

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

NAL was incorporated as a private limited company on May 09, 2007, in Hyderabad, Telangana. The company is engaged in manufacturing agricultural inputs, with a diversified product portfolio spanning soil health management, crop nutrition and crop protection. Its offerings include soil health management products, crop nutrition products, biostimulants, biopesticides, integrated pest management (IPM) products and crop protection products. Crop protection products are manufactured through its subsidiary, NASPL. NAL has an extensive dealer network across Andhra Pradesh, Telangana, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Odisha, West Bengal, Bihar, Gujarat, Jharkhand, Uttarakhand, Jammu & Kashmir and Nepal. The company has established marketing, distribution and supply agreements with third parties in Bangladesh, Sri Lanka and Vietnam; however, operations in these markets are yet to commence, pending regulatory approvals.

Nova Agritech Limited – Consolidated

Particular	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	294.13	261.59	60.01
PBILDT*	42.69	27.32	6.27
PAT	27.42	12.84	3.25
Overall gearing (times)	0.25	0.22	NA
Interest coverage (times)	8.13	5.63	5.50

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Nova Agritech Limited – Standalone

Particular	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	165.86	78.02	21.00
PBILDT*	22.05	5.55	1.69
PAT	16.52	3.94	1.36
Overall gearing (times)	0.18	0.18	NA
Interest coverage (times)	6.92	1.93	2.49

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	30.00	CARE BBB-; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	30-11-2026	0.99	CARE BBB-; 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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	30.00	CARE BBB-; Stable	-	1)CARE BBB; Negative (23-Feb-26) 2)CARE BBB; Stable (17-Sep-25)	1)CARE BBB; Positive (08-Nov-24)	-
2	Fund-based - LT-Term Loan	LT	0.99	CARE BBB-; Stable	-	1)CARE BBB; Negative (23-Feb-26) 2)CARE BBB; Stable (17-Sep-25)	1)CARE BBB; Positive (08-Nov-24)	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Lender details**To view lender-wise details of bank facilities please [click here](#)**Annexure-5: List of entities consolidated**

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Nova Agri Sciences Private Limited	Full	Wholly owned subsidiary of NAL
2	Nova Agri Seeds India Private Limited	Full	Wholly owned subsidiary of NAL

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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About us:

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No. CARE/HRO/RL/2026-27/1376

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October 12, 2026

Confidential

Dear Sir,

Credit rating for bank facilities

Please refer to our rating letter No. CARE/HRO/RL/2026-27/1330 dated October 01, 2026, and your representation letter dated October 01, 2026 on the above subject.

2. Our Rating Committee has carefully reconsidered the representation made by you regarding the revision in rating assigned to the above mentioned bank facilities. It has, however, not been found possible to upgrade the rating for the facilities and the rating stands at '**CARE BBB-; Stable**' for long-term facilities. In this connection, we assure you that the facts mentioned in your letter under reference were considered while deciding the rating.

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CIN-L67190MH1993PLC071691

Nova Agri Sciences Private Limited

October 12, 2026

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Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in the rating to bank facilities of Nova Agri Sciences Private Limited (NASPL) factors in moderate scale of operations and profitability, and increased working capital intensity, which adversely affected liquidity. Elongation in operating cycle considering stretched receivables led to sustained reliance on bank borrowings, as reflected in the high average utilisation of fund-based working capital limits, occasional use of ad hoc facilities, and low free cash balances.

The rating continues to derive comfort from the group's comfortable capital structure and satisfactory debt coverage indicators, despite moderation during the year. It also factors in extensive experience of promoters and management team, the group's diversified product portfolio across crop nutrition, crop protection, and soil health segments, and its established distribution network.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total operating income (TOI) improving above ₹300 crore with a sustainable profitability margin of over 18%.
- Operating cycle improving below 200 days.

Negative factors

- Deterioration in credit profile of the parent company.
- Decline in TOI and profit before interest, lease rentals, depreciation, and taxation (PBILDT) levels by over 20% for the projected period.
- Further deterioration in the operating cycle and stretch in liquidity position.

Analytical approach: Standalone

Standalone approach factoring in linkages with the parent, NAL. NASPL is a wholly owned subsidiary of NAL, which operates in same business having common management and operations team with strong financial linkages.

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects the company's operations to remain stable, supported by the group's established and diversified customer base and the promoters' extensive industry experience.

Detailed description of key rating drivers:

Key strengths

Comfortable capital structure and debt coverage metrics of the group

As on March 31, 2026, the group's capital structure continued to remain comfortable. The overall gearing improved to 0.22x as on March 31, 2026, from 0.25x as on March 31, 2025, while total outside liabilities to tangible net worth (TOL/TNW) ratio moderated to 0.49x from 0.53x during the same period. Debt profile remained largely characterised by utilisation of working capital borrowings, with only a modest proportion comprising term debt obligations. The group's consolidated net worth stood strong at ₹231.23 crore as on March 31, 2026.

Although debt coverage indicators moderated in FY26 owing to a decline in operating margins, they continued to remain at comfortable levels. The PBILDT interest coverage ratio stood at 5.63x in FY26 against 8.13x in FY25, reflecting impact of relatively lower profitability on coverage metrics. Similarly, total debt to PBILDT ratio increased to 1.84x in FY26 from 1.28x in FY25. Overall

¹SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

²Complete definitions of ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

debt protection metrics continued to remain satisfactory, supported by the group's conservative capital structure, adequate cash accruals, and moderate debt levels.

Experienced promoters and professional management team

The company is led by an experienced management team with extensive knowledge and expertise in the agricultural input industry. The company's promoter and Managing Director, Kiran Kumar Atukuri, having over two decades of experience spanning agri-chemicals, seeds, fertilizers, and allied agricultural businesses. He plays a pivotal role in formulating the group's strategic direction and is actively involved in key corporate decision-making processes. He oversees the company's overall business operations, with particular focus on manufacturing, procurement, marketing, and sales functions. The management team is supported by qualified professionals possessing complementary technical, commercial, and operational expertise, which enables efficient execution of business strategies and day-to-day operations. Extensive industry experience of promoters and senior management is expected to continue supporting the company's growth prospects, operational efficiency, and customer relationships in the medium term.

Diversified product portfolio

The company has developed a diversified portfolio of branded agricultural input products, enabling it to cater to a wide spectrum of farming requirements across crop cycles and geographies. Its broad product offering spans key segments of crop protection, thereby providing integrated solutions to farmers for safeguarding crop yields. The crop protection segment includes insecticides, fungicides, herbicides, and plant growth regulators, which assist farmers in protecting crops from pests, diseases, and adverse environmental conditions. Diversified nature of the product portfolio reduces dependence on a single product category while enhancing the company's ability to meet evolving customer requirements.

Extensive distribution network supporting market reach

The company markets, sells, and distributes its diversified portfolio of agricultural products to farmers across India through a well-established and extensive distribution network. The company's distribution ecosystem comprises over 6,000 active dealers, who collectively procure and facilitates the sale of its products across multiple geographies. The dealer network has a strong presence across 18 states in India, enabling the company to maintain broad market penetration and an effective channel for product reach and customer engagement. In addition to its domestic operations, the company has undertaken strategic initiatives to expand its footprint in international markets. It has entered marketing, distribution, and supply agreements with reputed third-party partners in Bangladesh, Sri Lanka, and Vietnam, which are expected to support the commercialisation of its products in these markets upon receipt of the requisite regulatory approvals and permissions.

Key weaknesses**Moderate scale of operations and profitability**

TOI remained moderate at ₹182.18 crore in FY26, although improved from ₹140.46 crore in FY25, supported by commissioning and operationalisation of NASPL's new manufacturing facility in July 2025, and new product launches. Despite increase in TOI, the PBILDT margin declined from 14.84% in FY25 to 11.29% in FY26, primarily due to higher operating expenses, including increased employee costs following commissioning of the new facility. Higher transportation, promotional, and marketing expenses related to product portfolio expansion and new product launches further constrained margins.

Elongated operating cycle

The company's working capital intensity remained high, as reflected in its elongated operating cycle, primarily driven by a stretched receivables position. Operating cycle elongated to 231 days in FY26 from 221 days in FY25, primarily due to high average collection period and high average inventory days. The elongation in receivables was largely attributable to the inherently extended credit terms prevalent in the agriculture industry, where the company extends credit of up to six months to its dealer network to support product distribution and sales.

The receivables profile remained a key monitorable, with ~36% of the company's outstanding receivables remaining overdue for over six months as on March 31, 2026. The elevated receivables level resulted in higher working capital requirements and exerted pressure on the company's liquidity position. The management expects gradual realisation of the outstanding debtors, aided by its established relationships with dealers and the seasonal nature of collections in the agri-input industry. Going forward, the company's ability to improve collections and moderate the working capital cycle will remain a key credit monitorable.

Liquidity: Stretched

The company's liquidity position remained stretched, characterised by high utilisation of working capital facilities and modest free cash balances. Average utilisation of the company's fund-based working capital facilities remained high at ~95% during the twelve-month period ended August 31, 2026, indicating limited cushion available in existing banking lines. The group resorted to utilisation of ad-hoc working capital limits in certain months to meet incremental funding requirements arising from its elongated working capital cycle. Free cash and bank balances stood at ₹0.10 crore as on March 31, 2026. Although the current ratio stood comfortable at 2.53x on March 31, 2026, quality of current assets remains impacted by significant proportion of receivables outstanding for extended periods. Elevated debtor levels and slower realisation of receivables continue to exert pressure on liquidity and increase dependence on external working capital borrowings.

Liquidity risk is partly mitigated by the group's low scheduled debt repayment obligations and expected generation of adequate gross cash accruals, which are likely to remain sufficient to meet its debt servicing requirements in the medium term. Going forward, the group's ability to improve collection efficiency, reduce reliance on short-term borrowings, and strengthen its liquidity buffer will remain key monitorable from a credit perspective.

Assumptions/Covenants: Not applicable

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

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Pesticides & Agrochemicals](#)

About the company and industry

Industry classification

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

NAL: NAL was incorporated as a private limited company on May 09, 2007, in Hyderabad, Telangana. The company is engaged in manufacturing agricultural inputs, with a diversified product portfolio spanning soil health management, crop nutrition and crop protection. Its offerings include soil health management products, crop nutrition products, biostimulants, biopesticides, integrated pest management (IPM) products and crop protection products.

NAL has an extensive dealer network across Andhra Pradesh, Telangana, Maharashtra, Karnataka, Madhya Pradesh, Rajasthan, Chhattisgarh, Tamil Nadu, Uttar Pradesh, Odisha, West Bengal, Bihar, Gujarat, Jharkhand, Uttarakhand, Jammu & Kashmir and Nepal. The company has established marketing, distribution and supply agreements with third parties in Bangladesh, Sri Lanka and Vietnam; however, operations in these markets are yet to commence, pending regulatory approvals.

Brief Financials - Consolidated (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	294.13	261.59	60.01
PBILDT*	42.69	27.32	6.27
PAT	27.42	12.84	3.25
Overall gearing (times)	0.25	0.22	NA
Interest coverage (times)	8.13	5.63	5.50

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

*PBILDT: Profit before interest, lease rentals, depreciation and tax

NASPL: NASPL was incorporated on May 12, 2010, and is a wholly owned subsidiary of NAL. NASPL is engaged in manufacturing a wide range of plant protection products for the agriculture, horticulture and home garden segments. Its product portfolio includes herbicides, insecticides, fungicides, plant growth promoters and plant growth regulators. NASPL is also engaged in developing new molecules aimed at enhancing crop yields and improving farm productivity.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	140.46	182.18	37.49
PBILDT*	20.85	20.57	4.01
PAT	11.07	7.87	1.43
Overall gearing (times)	1.52	1.53	NA
Interest coverage (times)	5.30	3.31	2.40

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of regulators:

A list of facilities / instruments falling under the purview of financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	20.00	CARE BBB-; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	30-11-2026	0.22	CARE BBB-; 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 2026-2027	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
1	Fund-based - LT-Term Loan	LT	0.22	CARE BBB-; Stable	-	1)CARE BBB; Negative (23-Feb-26) 2)CARE BBB; Stable (17-Sep-25)	1)CARE BBB; Positive (08-Nov-24)	-
2	Fund-based - LT-Cash Credit	LT	20.00	CARE BBB-; Stable	-	1)CARE BBB; Negative (23-Feb-26) 2)CARE BBB; Stable (17-Sep-25)	1)CARE BBB; Positive (08-Nov-24)	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Lender details**To view lender-wise details of bank facilities please [click here](#)

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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