

April 06, 2026

## Basant Agro-Tech (India) Limited: Ratings placed on watch with negative implications; rated amount enhanced

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term Fund based – Term loan	17.23	17.93	[ICRA]BBB; Rating placed on watch with negative implications and assigned for enhanced amount
Long Term - Fund Based - Cash credit	170.00	170.00	[ICRA]BBB; Rating placed on watch with negative implications
Short term – Fund Based – others	0.00	45.00	[ICRA]A3+; Rating placed on watch with negative implications and assigned for enhanced amount
Short Term - Non-Fund Based – Others	56.00	56.00	[ICRA]A3+; Rating placed on watch with negative implications
Long Term/Short term - unallocated	3.30	0.00	-
<b>Total</b>	<b>246.53</b>	<b>288.93</b>	

\*Instrument details are provided in Annexure I

### Rationale

The ratings assigned to Basant Agro-Tech India Limited (BATIL/the company) have been placed on watch with negative implications owing to a sharp increase in sulphur prices and the sizeable dependence on imports for sulphur in the country, which is a key input for manufacturing sulphuric acid and single super phosphate (SSP). On February 28, 2026, after the breakout of the conflict in West Asia, there has been a sharp increase in the prices of finished fertilisers and raw material which could adversely impact the profitability of the fertiliser industry. While currently the availability of rock phosphate and sulphur remains adequate to meet the near-term requirements, ICRA will continue to monitor the pricing and availability of sulphur and rock phosphate for the company and its impact on its earnings. The sharp increase in sulphur prices amid the ongoing West Asia conflict has pushed up the company's input costs to manufacture SSP and Linear Alkyl Benzene Sulphonic Acid (LABSA). At present, profitability on the sale of SSP and LABSA remain subdued amid elevated input prices. Though nutrient-based subsidy (NBS) rates are expected to be announced shortly for the upcoming kharif season, ICRA will monitor the extent of the revision in the subsidy rates under the NBS regime and its impact on the company's earnings and credit profile. The ratings continue to be constrained by the working capital-intensive nature of the operations, given the need to maintain a high level of inventory due to the seasonal nature of the business. The ratings are also constrained by the regulatory and agro-climatic risks associated with the fertiliser sector as the profitability remains susceptible to the subsidy rates announced by the Government of India (GoI) and also to the vagaries of the monsoon as agricultural activity in the country is largely dependent on rainfall. The company's seed segment is also exposed to the vagaries of the monsoon as the portfolio is focused on the kharif season. Its scale of operations and profitability are also vulnerable to agro-climatic conditions and the adverse fluctuations in raw material prices and foreign exchange rates.

The company's credit metrics improved from FY2024 to FY2025 but have moderated over 9M FY2026, affected by the modest profitability in the fertiliser segment. Further, with the ongoing West Asia conflict, there could be further moderation in the credit metrics in FY2027. Hence, the overall credit profile is expected to remain subdued.

The modest performance in 9M FY2026 was reflected in the decline in operating margin to 5.5% from 6.1% in FY2025 due to focus on volume driven growth (especially in the LABSA and the relatively new pipes segments where the company is working towards gaining market share) resulting in moderation in margins.

## Key rating drivers and their description

### Credit strengths

**Established presence in Maharashtra, Karnataka and Madhya Pradesh; extensive experience of promoters** -The company is promoted by the Bhartia family, which has an extensive experience in the fertiliser and seed industries. BATIL has an established presence in Maharashtra, Madya Pradesh and Karnataka with its eight manufacturing facilities and an established network of dealers and distributors. The company's trademark fertiliser brand is Krishi Sanjivani.

**Locational advantage with plants in interior areas offering better access to consumer markets** - BATIL's manufacturing plants are in the interior areas - such as Kanheri (Maharashtra), Kaulkhed (Maharashtra), Jalgaon (Maharashtra), Sangli (Maharashtra), Hospet (Karnataka), Nagpur (Maharashtra) and Neemuch (Madhya Pradesh) - which ensures good rural coverage. The strategic location of the manufacturing plants also provides better access to the end-user markets, while the freight costs are also low compared to the competitors having plants in coastal areas. Moreover, the company's plants at Sangli and Hospet are near the Krishna and Tungabhadra rivers, respectively, which reduces the vulnerability of demand to the monsoons to some extent. Proximity to the demand centres also lowers the impact on profitability as the GoI does not provide freight subsidy on SSP sales.

### Credit challenges

**Working capital-intensive operations** – The operations are highly dependent on short-term loans offered by banks for its working capital requirement. The working capital intensity varies due to the seasonal nature of the business. The NWC/OI improved to 43.6% in FY2025 from 54.1% in FY2024 due to lower inventory levels, indicating decreased dependence on working capital lines.

**Profitability exposed to volatility in raw material prices and forex risk** – The prices of key raw materials such as rock phosphate and sulphuric acid are linked to the global market and fluctuate with the changes in international prices and foreign exchange rates. As BATIL needs to maintain adequate inventory due to the seasonal nature of the fertiliser and seed industries, the stocked inventory is exposed to inventory price risk caused by the volatility in raw material prices. Moreover, the raw material is largely imported and, thus, BATIL's profitability remains exposed to foreign exchange risks. This is further accentuated by the constraints in passing on the impact of currency's depreciation to the farmers through retail price hikes.

**Operations exposed to regulatory and agro-climatic risks** - BATIL operates in a highly regulated industry and the selling prices of its products depend on the subsidy allocated by the Government of India to various nutrients. The company's operations, thus, remain exposed to the sharp variations in the subsidy amount and delays in receiving the same, apart from any other regulatory intervention on product prices. Additionally, agricultural activity in the country is dependent on the monsoon and the company's performance in the fertiliser and the seed segments is closely linked to the vagaries of the monsoon.

## Environmental and social risks

**Environmental considerations** - Global efforts towards decarbonisation and the focus on the impact of fertiliser use on soil health may lead to the development of new types of fertilisers and lower the demand for conventional fertilisers. However, in India, ICRA does not expect any material impact on conventional fertiliser offtake in the near to medium term, given the country's import dependence as well as the time taken by the end consumers to accept new products.

**Social considerations** - Rising awareness about the use of chemical fertilisers in farming and the growing clamour for organic produce can impact fertiliser offtake. The productivity of organic farming remains low at present and, thus, the near-term

risk for fertiliser offtake is low. Going forward, technological breakthroughs to develop organic alternatives with equal or better productivity can pose a significant threat to fertiliser offtake, although the threat remains long term in nature.

### Liquidity position: Adequate

The company's liquidity is expected to remain adequate, supported by cushion in fund-based limits with an average utilisation of ~53% during January 2025 to December 2025. The company receives customer advances to supply seeds and fertiliser for the upcoming season, which also supports its liquidity position. The company does not have any major capex plans and has modest debt repayments which it should be able to meet comfortably from the net cash accruals.

### Rating sensitivities

**Positive factors** – ICRA will continue to monitor the impact of the ongoing conflict in West Asia on the raw material availability and pricing for the same on the earnings and credit profile of the company and may remove the ratings from watch if the impact is not materially negative for BATIL.

**Negative factors** – The ratings may be downgraded in a scenario of prolonged West-Asian conflict impacting the raw material availability and pricing which has a materially negative impact on company's earnings and credit profile. Any sustained moderation in earnings otherwise also may result in a rating downgrade. The elongation of the working capital cycle which leads to deterioration in the liquidity profile of the company may also result in a rating downgrade.

### Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Rating Methodology - Fertilisers</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Not applicable

### About the company

Basant Agro-Tech (India) Limited (BATIL) manufactures and markets fertilisers, such as NPK (nitrogen, phosphorous, potash) compounds and SSP (single super phosphate), under the Krishi Sanjivani brand in Maharashtra, Madhya Pradesh, Karnataka and Andhra Pradesh. It is also engaged in the research and development, processing and marketing of ~130 varieties of traditional and hybrid seeds. BATIL set up its first plant in 1991 at Akola for producing NPK fertilisers.

At present, the company has one cold storage facility at Akola; three plants for NPK – at Akola & Sangli in Maharashtra and Hospet in Karnataka; three plants for SSP at Kanheri & Jalgaon in Maharashtra and Neemuch in Madhya Pradesh; two manufacturing plants for seeds at Akola and Nashik in Maharashtra. The combined installed capacity for producing NPK is 1,50,000 TPA. The current installed capacity for producing SSP is 3,39,000 TPA, after the company added a capacity of 1,32,000 TPA under SSP, post purchase of a defunct plant in Jalgaon, Maharashtra, in FY2012.

The company is also engaged in the business of generating power through wind turbines and operating and maintaining warehousing and cold storage facilities. In FY2018, the company had started organic farming and has introduced products such as wheat grass powder, moringa leaf powder and barley grass powder, which they are selling through Patanjali and Amazon. Sales of the newly introduced products are low compared to the total turnover. In FY2021, the company had also started a LABSA manufacturing plant with an installed capacity of 22,000 MT.

The seeds division of BATIL is based out of Akola and produces traditional and hybrid seeds. It produces straight/hybrid seeds such as paddy, soya, cotton, wheat, jawar, sweetcorn, maize, etc., which have enhanced yields compared to normal seeds. The top three seeds produced are of primarily kharif crops, i.e. soya, paddy and cotton.

**Key financial indicators (audited)**

BATIL	FY2024	FY2025	9MFY2026*
Operating income	404.8	462.7	405.1
PAT	4.0	4.2	4.8
OPBDIT/OI	6.1%	6.1%	5.5%
PAT/OI	1.0%	0.9%	1.2%
Total outside liabilities/Tangible net worth (times)	1.4	1.3	-
Total debt/OPBDIT (times)	6.3	4.6	-
Interest coverage (times)	1.7	2.0	2.0

Source: Company, ICRA Research; \* Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

**Status of non-cooperation with previous CRA: Not applicable**

**Any other information: None**

## Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	Apr 06, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	17.93	[ICRA]BBB; Rating watch with negative implications	-	-	Feb 18, 2025	[ICRA]BBB (Stable)	Mar 08, 2024	[ICRA]BBB+ (Negative)
				-	-	Mar 21, 2025	[ICRA]BBB (Stable)	Aug 11, 2023	[ICRA]BBB+ (Stable)
Cash credit	Long term	170.00	[ICRA]BBB; Rating watch with negative implications	-	-	Feb 18, 2025	[ICRA]BBB (Stable)	Mar 08, 2024	[ICRA]BBB+ (Negative)
				-	-	Mar 21, 2025	[ICRA]BBB (Stable)	Aug 11, 2023	[ICRA]BBB+ (Stable)
Non-fund based	Short term	56.00	[ICRA]A3+; Rating watch with negative implications	-	-	Feb 18, 2025	[ICRA]A3+	Mar 08, 2024	[ICRA]A2
				-	-	Mar 21, 2025	[ICRA]A3+	Aug 11, 2023	[ICRA]A2
Fund based	Short term	45.00	[ICRA]A3+; Rating watch with negative implications	-	-	-	-	-	-
Unallocated limits	Long term/ Short term	0.00	-	-	-	Mar 21, 2025	[ICRA]BBB (Stable)/ [ICRA]A3+	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund based – Term loan	Simple
Long term – Fund-based - Cash credit	Simple
Short term – Non-fund based	Simple
Short term – Fund based	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

### Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term – Fund based - Term loan 1	May 2021	8.45%	FY2027	4.13	[ICRA]BBB; Rating watch with negative implications
NA	Long term – Fund based - Term loan 2	Apr 2022	8.10%	FY2028	7.00	[ICRA]BBB; Rating watch with negative implications

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term – Fund based - Term loan 3	July 2022	8.10%	FY2029	6.10	[ICRA]BBB; Rating watch with negative implications
NA	Long term – Fund based - Term loan 4	Aug 2024	9.40%	FY2031	0.70	[ICRA]BBB; Rating watch with negative implications
NA	Long term – Fund based – Cash credit	NA	NA	NA	170.00	[ICRA]BBB; Rating watch with negative implications
NA	Short term – Non-fund based	NA	NA	NA	56.00	[ICRA]A3+; Rating watch with negative implications
NA	Short term – Fund based	NA	NA	NA	45.00	[ICRA]A3+; Rating watch with negative implications

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure II: List of entities considered for consolidated analysis – Not applicable**

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