Rating Rationale
10 Nov 2026

Dhansa Labs Limited (Erstwhile Ambey Laboratories Limited)

SUMMARY OF RATING ACTION

Facilities**	Amount (Rs. Crs.)		Tenure	Rating#		
	Previous	Present		Previous (28-Oct-25)	Present	Regulators
Fund Based						
Term Loan -Sanctioned	-	10.52	Long Term	-	BWR BBB-/Stable Assignment	RBI
Emergency Credit Line Guarantee Scheme (ECLGS) -Sanctioned	-	2.82				
Term Loan -Sanctioned	26.50	19.08		BWR BBB -/Stable Assignment	BWR BBB-/Stable Reaffirmation	
Term Loan -Proposed	10.00	1.28				
Cash Credit -Sanctioned	14.15	14.15				
Working Capital (CC) -Proposed	30.00	27.18				
Sub-Limit of CC (Working Capital Demand Loan - INR) -Sanctioned	(11.32)	(11.32)				
Sub-Limit of CC (Working Capital Demand Loan - FCY) -Sanctioned	(11.32)	(11.32)				
Sub Total	**80.65**	**75.03**				
Non-Fund Based						
Sub-Limit of CC (Bank Guarantee (BG) - Performance) -Sanctioned	(4.00)	(4.00)	Short Term	BWR A3 Assignment	BWR A3 Reaffirmation	RBI
Sub-Limit of CC (Bank Guarantee (BG) - Financial) -Sanctioned	(4.00)	(4.00)				
Sub-Limit of CC (Export Packing Credit (EPC INR)) -Sanctioned	(4.00)	(4.00)				
Sub-Limit of CC (Letter of Credit - Domestic Sight) -Sanctioned	(4.00)	(4.00)				

Sub-Limit of CC (Letter of Credit - Domestic Usance) -Sanctioned	(4.00)	(4.00)				
Sub-Limit of CC (Letter of Credit - Foreign Sight) -Sanctioned	(4.00)	(4.00)				
Sub-Limit of CC (Letter of Credit - Foreign Usance) -Sanctioned	(4.00)	(4.00)				
Sub-Limit of CC (Post Shipment Credit) -Sanctioned	(4.00)	(4.00)				
Total	**80.65**	**75.03**		**(Rupees Seventy-Five Crore and Three Lakh only)**		

Note:

1. Please refer to BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated**.**

RATING ACTION/OUTLOOK

Brickwork Ratings has assigned a long-term rating of BWR BBB-/Stable to the bank loan facilities of Rs. 13.34 crore and reaffirmed the long-term rating of BWR BBB-/Stable and short-term rating of BWR A3 on the bank loan facilities of Rs. 61.69 crore of Dhansa Labs Limited (DLL), aggregating to Rs. 75.03 crore.

The ratings draw strength from the extensive industry experience of the promoters, long-standing relationships with leading domestic agrochemical formulators, steady achievement of operational revenue targets, comfortable capital structure characterized by low gearing, and ongoing capacity expansion aimed at product diversification.

The ratings are, however, constrained by working capital-intensive operations characterized by an elongated cash conversion cycle, execution and stabilization risks associated with the ongoing capex alongside project cost revisions, moderate customer concentration, and inherent exposure to seasonal agro-climatic conditions and strict environmental regulations.

BWR expects the company to maintain a steady business and financial risk profile over the medium term, supported by improving scale, operational efficiency, and stable demand. The rating is based on the audited financial statements for FY24, FY25, and FY26, projected financials for FY27 and FY28, publicly available information, and management clarifications.

KEY COVENANTS OF THE INSTRUMENT/FACILITY

- The terms of sanction include covenants normally stipulated for such facilities.
- Promoter loans subordinated to bank debt; no repayment without bank approval.

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ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Approach to Financial Ratios • Short Term Debt • Manufacturing Company

Parent/Group/Government Support	NA
Analytical Approach (Consolidation/Standalone)	For arriving at its ratings, BWR has considered the standalone performance of Dhansa Labs Ltd. BWR has applied its rating methodology as detailed in the Rating Criteria.

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths:

- **Extensive Experience of the Promoters and Established Client Relationships:**
  The promoters possess over four decades of industry experience, supporting long-term business relationships with key institutional agrochemical clients. Operating income expanded steadily from Rs. 120.54 crore in FY24 to Rs. 131.27 crore in FY25 and Rs. 141.54 crore in FY26, with first-half FY27 revenue reaching Rs. 69.08 crore. Long-standing client relationships provide operational stability across regular crop seasons.

- **Comfortable Capital Structure and Debt Coverage Metrics:**
  The company maintains a comfortable capital structure, with tangible net worth expanding to Rs. 88.11 crore as of March 31, 2026, compared to Rs. 65.27 crore as of March 31, 2025. Total debt to tangible net worth improved to 0.45 times in FY26 from 0.63 times in FY25 and 1.46 times in FY24. Debt servicing capability remains comfortable, supported by an Interest Service Coverage Ratio (ISCR) of 4.15 times in FY26.

- **Ongoing Capacity Expansion to Support Product Diversification:**
  The company is expanding its 2,4-D manufacturing capacity from 5,000 MT to 6,000 MT and adding production lines for Atrazine (3,000 MT) and Metribuzin (250 MT) at Behror, Rajasthan. Commercial operations across both expansions are scheduled to start in April 2027 to obtain unified Consent to Operate clearances and claim eligible state subsidies. Once operational, these additions will broaden the product portfolio beyond 2,4-D.

Credit Risks

- **Working Capital-Intensive Operations and Long Collection Period:**
  The company's operations remain working capital-intensive, with the cash conversion cycle increasing from 128 days in FY25 to 190 days in FY26. This is mainly due to the seasonal nature of the agricultural sector, where collections from distributors are linked to the Kharif and Rabi crop cycles. Further, delays in the movement of chemical consignments due to global shipping container disruptions also affected the collection cycle. As a result, average utilisation of bank working capital limits remained high at around 90%. Timely recovery of outstanding receivables, particularly older dues, remains important for improving the working capital cycle and reducing dependence on short-term borrowings.

- **Execution Risk Associated with Ongoing Capex and Cost Escalation:**
  The company is undertaking capacity expansion at its Behror facility to manufacture Atrazine and Metribuzin, along with increasing its existing 2,4-D capacity.The overall project scope and capital outlay have undergone an upward revision. While the civil work is nearing completion and funding is supported through share warrant proceeds, public issue funds and long-term equipment loans, the project remains exposed to execution risks. Timely completion of the project, receipt of pending statutory approvals, including the unified Consent to Operate (CTO), and commencement of commercial operations (DCCO) remain key monitorable factors. The company's ability to stabilise operations and achieve the projected capacity utilisation without further cost overruns or delays will be important for generating additional revenue and cash flows.

- **Exposure to Seasonal Agro-Climatic Conditions and Environmental Regulations:**
  Demand for agrochemicals is dependent on monsoon patterns, rainfall distribution and other climatic

conditions, including El Niño, which may result in uneven rainfall, delayed sowing or moisture stress across major agricultural regions. Although the company's key herbicide products cater to irrigated crops, unfavourable weather conditions can affect inventory purchases by institutional customers and demand from distributors. Further, the manufacturing of technical-grade chemicals is subject to strict regulatory requirements of the Central Insecticides Board and Registration Committee (CIB&RC) and State Pollution Control Boards. The company is required to maintain compliance with environmental norms, effluent treatment standards and applicable regulatory approvals and licences. Any delay in obtaining or renewing these approvals or non-compliance with regulatory requirements could affect manufacturing operations.

RATING SENSITIVITY FACTORS

Going forward, the company's ability to improve its revenue profile and strengthen its financial risk profile will remain the key rating sensitivities.

Positive:

- Improvement in Topline, supported by pending capex completion, leading to improvement in cash accruals above Rs. 10 Cr.
- Improvement in the working capital cycle to levels, leading to enhanced liquidity.
- Debt-to-equity below 1.0x

Negative:

- Prolonged delays in obtaining the unified CTO for the Behror facility.
- Working capital cycle exceeding 200 days, leading to increased liquidity pressure.
- Deterioration in gearing, leading to a weakening of the financial risk profile.

LIQUIDITY POSITION -

Dhansa Labs Ltd. maintains an adequate liquidity position, supported by healthy cash accruals and a sufficient cushion in its working capital facilities. The company reported cash and bank balances of Rs. 2.39 Cr as on March 31, 2026. The current ratio improved to 3.20x in FY26 from 2.19x in FY25. The company generated cash accruals of Rs. 7.37 Cr during FY26 against CPLTD obligations of Rs. 6.93 Cr, resulting in comfortable debt protection metrics. The DSCR and ISCR stood at 4.15x and 2.54x, respectively, in FY26. Further, the working capital limits from Yes Bank remained highly utilised, with average utilisation of around 94% (for 6 months).

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ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

Environmental: Risks primarily center on chemical waste management, effluent treatment, and emissions control. The manufacturing plant operates under requisite Consent to Operate (CTO) clearances from the State Pollution Control Board. Hazardous waste and chemical residues are disposed of via authorized agencies, and ongoing adherence to pollution norms remains key to operational continuity.
Social: Focus areas include workplace safety, employee welfare, and community engagement. The company enforces standard industrial safety protocols and fair labor practices to manage hazards associated with chemical manufacturing.
Governance: The governance framework is supported by an experienced promoter board and statutory committees, including Audit and Stakeholders Relationship Committees. Reporting and disclosures adhere to applicable regulatory and exchange listing norms, with standard oversight on internal controls and related-party transactions.

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COMPANY/FIRM PROFILE

Dhansa Labs Ltd.(Erstwhile Ambey Laboratories Ltd.), originally incorporated as Ambey Laboratories Private Limited in March 1985 by Mr. Anil Kumar Gupta and Mr. Kewal Sehgal, was converted into a public limited company on 30th December 2014. It operates in the chemical industry with a focus on agrochemicals and crop

protection, manufacturing products such as chemicals, compounds, herbal products, insecticides, pesticides, and fungicides, along with a range of home hygiene products.
The company has a manufacturing facility in Behror, Alwar, Rajasthan, India, spanning over 20,183.50 square meters. The company is jointly promoted by Mr. Archit Gupta & Mr. Arpit Gupta, and has been engaged in the agrochemical sector for nearly four decades.

Industry Classification			
Macroeconomic Indicator	**Sector**	**Industry**	**Basic Industry**
Commodities	Chemicals	Chemicals & Petrochemicals	Commodity Chemicals

KEY FINANCIAL INDICATORS

Standalone Financial Indicators (in ₹ crore)	FY 23-24 (A)	FY 24-25 (A)	FY 25-26 (A)
Operating Revenue	120.54	131.27	141.54
EBITDA	9.19	9.62	10.92
PAT	7.77	4.78	5.73
Tangible Net worth	20.25	65.27	88.11
Total Debt/ Tangible Net worth	1.46	0.63	0.45
Current Ratio	1.56	2.19	3.20

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results P: Provisional *PBILDT: Profit before interest, lease rentals, depreciation and tax. All ratios as per BWR's calculations; Amount in ₹ crore.

RATING HISTORY FOR THE PREVIOUS THREE YEARS

	Current Rating (2026)			Rating History					
				FY 2026		FY 2025		FY 2024	
Instrument	Tenor	Amount (₹. Crore)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	13.34	BWR BBB-/Stable (Assignment)		-				
Fund Based	LT	61.69	BWR BBB-/Stable (Reaffirmation)	28 Oct 2025	BWR BBB-/Stable (Assignment)				
FB SubLimit	LT	(22.64)	BWR BBB-/Stable (Reaffirmation)						
NFB SubLimit	ST	(32.00)	BWR A3 (Reaffirmation)		BWR A3 (Assignment)				

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Fund Based	Simple
Non-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 BWR's website www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY): NA

ANY OTHER INFORMATION: None

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Annexure I: Details of Bank Loan Facilities *(Amount in Rupees Crore)*

Name of the Bank/Lender	Facility to be rated	Tenure	Amount (In Rs. Crs.)	Regulator
Axis Finance Ltd.	Term Loan - Outstanding	Long Term	7.06	RBI
Yes Bank Limited	ECLGS 5.0 WCTL - Sanctioned	Long Term	2.82	RBI
	Cash Credit (CC) - Sanctioned	Long Term	14.15	RBI
	Term Loan - Outstanding	Long Term	8.62	RBI
	Bank Guarantee (BG) - Performance (Sub Limit of CC) - Sanctioned	Short Term	(4.00)	RBI
	Bank Guarantee (BG) - Financial (Sub Limit of CC) - Sanctioned	Short Term	(4.00)	RBI
	Export Packing Credit (EPC INR) (Sub Limit of CC) - Sanctioned	Short Term	(4.00)	RBI

	Letter of Credit - Domestic Sight (Sub Limit of CC) - Sanctioned	Short Term	(4.00)	RBI
	Letter of Credit - Domestic Usance (Sub Limit of CC) - Sanctioned	Short Term	(4.00)	RBI
	Letter of Credit - Foreign Sight (Sub Limit of CC) - Sanctioned	Short Term	(4.00)	RBI
	Letter of Credit - Foreign Usance (Sub Limit of CC) - Sanctioned	Short Term	(4.00)	RBI
	Post Shipment Credit (Sub Limit of CC) - Sanctioned	Short Term	(4.00)	RBI
	Working Capital Demand Loan - INR (Sub Limit of CC) - Sanctioned	Long Term	(11.32)	RBI
	Working Capital Demand Loan - FCY (Sub Limit of CC) - Sanctioned	Long Term	(11.32)	RBI
UC Inclusive Credit	Term Loan - Outstanding	Long Term	0.73	RBI
	Term Loan - Outstanding	Long Term	1.22	RBI
	Term Loan - Outstanding	Long Term	2.06	RBI
Toyota Financial Services	Term Loan - Outstanding	Long Term	0.20	RBI
	Term Loan - Outstanding	Long Term	0.20	RBI
Mercedes-Benz Financial Services	Term Loan - Outstanding	Long Term	0.51	RBI
	Term Loan - Outstanding	Long Term	0.54	RBI
Siemens Financial Services Pvt Ltd	Equipment Loan - Outstanding	Long Term	1.39	RBI
	Equipment Loan - Outstanding	Long Term	1.39	RBI
	Equipment Loan - Outstanding	Long Term	1.39	RBI
	Equipment Loan - Outstanding	Long Term	1.39	RBI
	Equipment Loan -	Long Term	1.39	RBI

	Outstanding			
The Delhi Safe Deposit Co. Ltd.	Term Loan - Outstanding	Long Term	1.53	RBI
Proposed Limit	Term Loan - Proposed	Long Term	1.28	RBI
	Working Capital Enhancement - Proposed	Long Term	27.18	RBI
Total Exposure	**Rupees Seventy-Five Crore and Three Lakh only**		**75.03**	

ANNEXURE II: Details of Instruments/Facilities

Name of the Instrument / Facility	Long Term/Short Term	ISIN	Date of Issuance (DD-MMYYYY)	Coupon Rate (%)	Maturity Date (DDMM-YYYY)	Size of the Issue (₹ cr)	Rating Assigned and Rating Outlook	Regulator
NA	NA	NA	NA	NA	NA	NA	NA	NA

ANNEXURE III: List of Entities Consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NA	NA	NA	NA

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

A.	Rating activities	
Sr. No.	**Instrument / activity Name**	**Regulator of the instruments**
1	**Listed/Proposed to be listed bonds/debentures/preference share (all securities)**	**SEBI**
2	**Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)**	**MCA**

3	**Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $**	**RBI**
4	**Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)***	**SEBI**
5	**Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)***	**RBI**
6	**Listed Commercial Paper and NCDs with original maturity less than 1 year**	**RBI**
7	**Unlisted Commercial Paper and NCDs with original maturity less than 1 year**	**RBI**
8	**Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^**	**RBI**
9	**External Commercial Borrowings and other similar borrowings**	**RBI**
10	**Certificates of Deposit**	**RBI**
11	**Fixed Deposits raised by NBFCs,HFCs, FIs**	**RBI**
12	**Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs**	**MCA**
13	**Inter Corporate Deposits/Loans extended by Corporates**	**MCA**
14	**Borrowing programme ~**	**-**
15	**Issuer Ratings #**	**-**
16	**Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)**	**SEBI**
17	**Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs**	**SEBI**
18	**Listed Security Receipts $**	**RBI**
19	**Unlisted Security Receipts**	**RBI**
20	**Independent Credit Evaluation (ICE)**	**RBI**
21	**Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))**	**SEBI**
22	**Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))**	**MCA**
23	**Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) ***	**Investor-side regulator such as IRDAI, PFRDA @**

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brick Work Ratings India Private Limited (BWR) shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Note: Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

B.	Other Activities	Regulator of the Instruments
1	Monitoring Agencies	SEBI
2	Research activities incidental to rating such as research for Economy, Industries and Companies	NA

Grievance Management

For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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Disclosure of Conflict of Interest

BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

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Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. Canara Bank is an institutional investor in Brickwork.

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