

Bhageria Industries Limited

March 12, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term / Short-term bank facilities	91.00	CARE A / CARE A1 (RWN)	Placed on Rating Watch with Negative Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has placed ratings of 'CARE A / CARE A1' assigned to bank facilities of Bhageria Industries Limited (BIL) on 'Rating Watch with Negative Implications' owing to likely impact of the shutdown of sulphonation section of BIL's H-Acid product manufacturing unit situated at MIDC Tarapur Boisar Industrial Area, Palghar on the BIL's business profile. Per stock exchange filings March 03, 2026, BIL has received voluntary closure notice dated March 02, 2026, from the Maharashtra Pollution Control Board (MPCB), which follows incident involving the fall of a measuring tank containing Oleum, resulting in the leakage and spread of Oleum fumes in the surrounding area leading to evacuation of employees and nearby residents by the local authorities. However, it states that there was no injury or casualty reported and the voluntary closure has been directed as a precautionary measure for safety purposes.

The sulphonation process is critical for the manufacturing of H-Acid product, which is a key finished product for the company, accounting for 30-35% of overall revenue over last three years. Prolonged closure of sulphonation plant could have a adverse impact on the revenue and profitability of the company. Additionally, penalties or environmental damage liabilities imposed on the company could have a bearing on its financial risk profile. CareEdge Ratings understands from management discussion that company is taking steps per regulations including safety audits and no penalties have been levied by the authorities as on March 10, 2026. As such CareEdge Ratings will continue to monitor the developments in this regard and impact of the same on the business profile and take a review once further clarity emerges on the matter.

Ratings continue to factor in the healthy operating and financial performance of BIL over the years, its comfortable capital structure, low total outside liabilities to tangible net worth (TOL/TNW) and comfortable coverage indicators. Ratings also factors in strong liquidity, supported by healthy cash accruals against moderate repayment obligations in the medium term and sizeable free cash and bank balances. However, ratings remain constrained by BIL's moderate scale of operations, profitability vulnerable to adverse fluctuations in raw material costs, working capital intensive operations, foreign exchange fluctuations, and intense competition in the industry. BIL's performance also remains susceptible to risks associated with adaptation to stringent environmental control norms prescribed by the government.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significantly increasing scale of operation and improving profit before interest, lease rentals, depreciation and taxation (PBILDT) margin from chemical segment on a sustained basis.
- Improving return on capital employed (ROCE) above 20% on a sustained basis.

Negative factors

- Net debt to PBILDT above 1.50x on a sustained basis.
- Larger-than-anticipated debt-funded capex or leveraged acquisition, leading to sustained and major deteriorating leverage to above 0.75x or debt coverage indicators or significantly stretching working capital cycle.

Analytical approach: Consolidated

While arriving at ratings, CareEdge Ratings has considered the consolidated financial statements of BIL, including its subsidiaries, due to presence of common management, brand name, and operational linkages, as detailed in Annexure-6.

Outlook: Not applicable

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

Detailed description of key rating drivers:**Key strengths****Favourable capital structure and comfortable debt coverage indicators**

BIL's financial risk profile stood comfortable marked by healthy net worth, low gearing and strong debt protection metrics. Its net worth stood at ₹553 crore as on March 31, 2025 (PY: ₹519 crore). Capital structure stood favourable marked by overall gearing at 0.09x (PY: 0.10x) and TOL/TNW at 0.31x (PY: 0.26x) as on March 31, 2025. Overall gearing consistently remained in the range of 0.08-0.13x and TOL/TNW in the range of 0.20-0.30x in the last five years. In FY25, debt coverage indicators stood comfortable marked by total debt to gross cash accruals (TD/GCA) at 0.77x (PY: 1.03x) and PBILDT interest coverage ratio at 27.04x (PY: 24.33x), y-o-y improvement is primarily considering improved profitability. The PBILDT interest coverage continues to remain healthy at 24.41x in 9M FY26. The company is undertaking capex for setting up 32-MW solar power under Mukhyamantri Saur Krushi Vahini Yojna at Ahmadnagar, Maharashtra. Total capex cost of ~₹152 crore, 70% funded through term loan and balance internal accruals. The project is expected to commence by early FY27. Despite recent capex, CareEdge Ratings expects BIL to maintain a comfortable credit profile in the near-to-medium term.

Extensive experience of promoters and established relations with reputed clientele

Incorporated in 1989, BIL is promoted by Suresh Bhageria and Vinod Bhageria, who have over three decades of experience in dyes and dyes intermediates industry. Clientele includes some of the reputed domestic and global companies, including Ever Light Chemical Industrial Corporation, and Huntsman International (India) Private Limited among others. As a result of long-standing experience and consistency in supply, BIL has been able to garner repeat orders from its existing clientele and has also added some large export customers in the past. BIL has moderate customer concentration, where its top 10 customers contribute ~45-55% of its total revenue. The company will benefit from the promoters' extensive experience and its long-standing relationship with clientele in future.

Consistent revenue and profit contribution from its solar plant

BIL entered in solar power generation in 2015 by commissioning ~3.78-MW solar power capacity, most of which is at Chennai and has power purchase agreement (PPA) for 25 years at ₹6.61 per MW. BIL also commissioned 30-MW(AC) solar power plant in July 2017 at Ahmednagar, Maharashtra, having entered 25-year PPA with Solar Energy Corporation of India (SECI; a company under Ministry of New and Renewable Energy, Government of India) at a fixed tariff of ₹4.41/unit. Consequent to stabilisation of its solar power plants, there has been healthy revenue (~₹27-30 crore) and profit contribution from solar division.

Well-established backward integrated manufacturing operations

BIL's operations are backward integrated with in-house manufacturing of its key dye intermediates. In the dye intermediates segment, manufacturing capacity mainly comprises vinyl sulphone (VS) of 3,600 MTPA, H-acid of 4,800 MTPA; and as a backward integration measure, BIL has setup a capacity to manufacture sulphuric acid (300 Tonnes Per Day). The company expanded in dye intermediates with capacity of 4,500 MTPA for manufacturing J-Acid and Tobias Acid for which commercial operations commenced from May 27, 2021. Thus, with introduction of new product to portfolio, product mix or revenue diversity of the company has improved.

Key weaknesses**Likely impact of closure of sulphonation segment of the plant post receipt of notice from MPCB**

Per stock exchange filings March 03, 2026, BIL has received voluntary closure notice dated March 02, 2026, from MPCB, which follows an incident involving the fall of a measuring tank containing Oleum, resulting in the leakage and spread of Oleum fumes in the surrounding area leading to evacuation of employees and nearby residents by the local authorities. However, it states that there was no injury or casualty reported and the voluntary closure has been directed as a precautionary measure for safety purposes.

The sulphonation process is critical for manufacturing H-Acid product, which is a key finished product for the company, accounting for 30-35% of overall revenue over the last three years. Prolonged closure of sulphonation plant could have an adverse impact on the revenue and profitability of the company. Additionally, penalties or environmental damage liabilities imposed on the company could have a bearing on its financial risk profile. CareEdge Ratings understands from management discussions that the company is taking necessary steps per regulations including safety audits and no penalties have been levied by the authorities as on March 10, 2026. As such, CareEdge Ratings will continue to monitor the developments in this regard and impact of the same on the business profile and take a review once further clarity emerges on the matter.

Moderate revenues and profitability

BIL's total operating income (TOI) registered a growth y-o-y by ~20% to ₹597 crore in FY25 compared to ₹496 crore in FY24, marked by ~27% y-o-y growth from chemical segment, while revenue from solar power segment remained stable in the range of ₹28-29 crore and the other business segment contributed ~₹59 crore. BIL's PBILDT margin improved by 356 bps to 12.66% in FY25 compared to 9.10% in FY24, owing to improved realisation and reduction in production cost owing to fluctuation in raw material prices. The trend continued in 9M FY26 with ~46% YoY revenue growth and sustained profitability. Despite the healthy growth, BIL's scale of operations and profitability remained moderate compared to the rating category.

The company's operations remain susceptible to changes in environmental regulations

Since companies manufacturing dyes and dye intermediates generate a lot of hazardous substances and waste materials, they are subject to central, state, local, and foreign laws and regulations relating to pollution control, protection of environment, greenhouse gas emissions and generation, storage, handling, transportation, treatment, disposal, and remediation of these hazardous substances and waste materials. Costs and capital expenditures relating to environmental, health, or safety matters are subject to evolving regulatory requirements and depend on the timing of promulgation and enforcement of specific standards which impose requirements. Changes in environmental regulations could inhibit or interrupt operations of these companies or may require modifications to their facilities. Accordingly, environmental, health or safety regulatory matters could result in significant unanticipated costs or liabilities. BIL is a member of Central Effluent treatment Plant, Talaja (CETP), Tarapur Environmental Protection Society (TEPS) and Mumbai Waste Management Limited, Talaja (MWML), and follows best in class process controls and systems.

Exposure of profitability to raw material price volatility and foreign exchange rates

Principal raw materials required are sulphur, tobas acid (derivative of naphthalene), beta naphthol, caustic soda flakes, naphthalene (crude derivative), and aniline, which form ~60-70% of the raw material cost. Most raw materials are derivatives of crude oil, and their prices vary in accordance with variation in international market price of crude oil. Hence, BIL's profitability is susceptible to volatility in prices of raw materials. The company derives ~15% from exports, which exposes its profitability to fluctuations in foreign exchange rate. The company is net exporter; hence, it mitigates risk to some extent through natural hedge and for the balance part it further hedges based on market situation.

Working capital intensive operations

BIL's operations are working capital intensive due to sizeable receivables and inventory holding requirements. Working capital cycle stood at moderate levels of 93 days as on March 31, 2025 (PY: 99 days). In FY25, collection days stood at 104 days (PY: 104 days) and inventory days stood at 33 days (PY: 36 days), while creditor days stood at 44 days (PY: 40 days). The company has adequate cushion in its working capital borrowings to support elongation in the working capital cycle.

Liquidity: Strong

BIL has strong liquidity marked by healthy cash accruals generation in the range of ₹75-85 crore in projected years against negligible fixed repayment obligations in next three years, low average working capital utilisation. BIL is undertaking capex for setting up 32-MW solar power at Ahmadnagar, Maharashtra. Total capex cost ~₹152 crore, 70% funded through term loan and balance internal accruals in FY26. The project is expected to commence by early FY27. The company has optionally convertible debentures (OCDs) outstanding of ₹6.51 crore as on March 31, 2025, to be matured in 2032. In addition, as on March 31, 2025, unencumbered cash/bank balance, including fixed deposits (excluding FD marked as lien) stood at ~₹72 crore, while average working capital utilisation stood at ~17% for 12 months ended June 2025. In FY25, net cash flow from operations stood at ~₹33 crore (net CFO remained positive in the last five years). As on March 31, 2025, current ratio stood at 2.54x and quick ratio stood at 2.21x.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks

Parameter	Risk Factors
Environmental	The company adheres to stringent pollution control standards as laid by the pollution control board. The company operates in dyes and pigments and generates polluted water in its production process that needs to be treated before their disposal. The company has in-house water treatment plant and follows zero liquid discharge policy. The company has established track record of complying with required pollution control norms.

Social	The company undertakes regular safety trainings in plant premises to achieve the goal of zero incident and developed policies to benefit employees and workers, which include employment rights, safety practices, suggestion scheme, and canteen facilities, among others.
Governance	The company has required committees and policies, which include corporate social responsibility, Governance a code of conduct, and a whistle blower mechanism, among others. The company's board of directors comprises seven directors, which include four independent directors, one executive director and chairman, one managing director, and one joint managing director.

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](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals and petrochemicals	Commodity chemicals

Incorporated in 1989, BIL is engaged in manufacturing dyes and dyes-intermediaries and solar power generation and distribution. Under the chemical division, it has capacity to manufacture VS, H-acid, and Gamma acid key dye intermediates at its plant at Vapi and Tarapur. Under the solar power segment, BIL has 3.78-Mega Watt (MW) rooftop capacity, 6.30-MWp solar power plant for captive consumption and 30-MW solar power plant at Maharashtra and having 25-year PPA with SECI.

Brief Financials (₹ crore) - Consolidated	March 31, 2024 (A)	March 31, 2025 (A)	9M FY26 (UA)
Total operating income	495.78	596.62	603.41
PBILDT	45.10	75.51	60.54
PAT	18.53	38.69	33.20
Overall gearing (times)	0.10	0.09	NA
Interest coverage (times)	24.33	27.04	24.41

Brief Financials (₹ crore) - Standalone	March 31, 2024 (A)	March 31, 2025 (A)	9M FY26 (UA)
Total operating income	496.41	599.17	604.68
PBILDT*	45.84	87.62	61.91
Profit after tax (PAT)	19.62	42.27	36.20
Overall gearing (x)	0.07	0.06	NA
Interest coverage (x)	31.30	53.67	38.69

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

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT/ ST-CC/PC/Bill Discounting	-	-	-	-	90.00	CARE A / CARE A1 (RWN)
Fund-based - LT/ ST-Working Capital Limits	-	-	-	-	1.00	CARE A / CARE A1 (RWN)

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/ ST-CC/PC/Bill Discounting	LT/ST	90.00	CARE A / CARE A1 (RWN)	1)CARE A; Stable / CARE A1 (08-Oct-25)	1)CARE A; Stable / CARE A1 (06-Sep-24)	1)CARE A; Negative / CARE A1 (15-Sep-23)	1)CARE A+; Stable / CARE A1+ (30-Aug-22) 2)CARE A+; Stable / CARE A1+ (12-Apr-22)
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	1.00	CARE A / CARE A1 (RWN)	1)CARE A; Stable / CARE A1 (08-Oct-25)	1)CARE A; Stable / CARE A1 (06-Sep-24)	1)CARE A; Negative / CARE A1 (15-Sep-23)	1)CARE A+; Stable / CARE A1+ (30-Aug-22) 2)CARE A+; Stable / CARE A1+ (12-Apr-22)

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple
2	Fund-based - LT/ ST-Working Capital Limits	Simple

Annexure-5: Lender detailsTo 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	Bhageria & Jajodia Pharmaceuticals Private Limited	Full	Subsidiary
2	Bhageria Industries Holding Company WLL	Full	Wholly owned subsidiary
3	Salasar Renewables Private Limited	Full	Wholly owned subsidiary
4	Hikaru Solar Power Private Limited	Full	Wholly owned subsidiary
5	New Ahilyanagar Solar Private Limited	Full	Wholly owned subsidiary
6	Rahuri Cleantech Private Limited	Full	Wholly owned subsidiary

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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