Chimique (India) Limited

August 03, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / short-term bank facilities	RBI	73.00 (Enhanced from 67.00)	CARE A-; Stable / CARE A2+	Reaffirmed
Long-term bank facilities	RBI	19.80 (Enhanced from 5.00)	CARE A-; Stable	Reaffirmed
Short-term bank facilities	RBI	32.00	CARE A2+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Chimique (India) Limited (CIL) continues to derive strength from its experienced promoters, company's established industry position offering guar gum and its value-added derivatives, strong liquidity, and steady scale of operations. Ratings continue to derive strength from its comfortable financial risk profile with low overall gearing and the company's strong liquidity position supported by substantially large portfolio of investments in mutual funds with significant capital appreciation over the years. The company is undertaking capex of ~₹30 crore to diversify into certain value-added derivatives such as cationic guar and modified cellulose, widely used in industries, including personal care, pharmaceuticals, food, paper & pulp, and textiles and are expected to generate higher operating margins. However, company's ability to commercialise these new margin accretive products to improve overall profitability in the current fiscal will remain a key monitorable.

However, rating strengths are offset by fluctuating and modest profitability margins, and concentration of its revenue towards oil and gas industry. Ratings continue to remain constrained by inherent risk associated with the agro-based industry, volatility in margins owing to agro-commodities and crude price movement impacting the demand for the product used in oil exploration and susceptibility to foreign exchange fluctuation risk.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improved demand for guar gum products leading to a sustained growth in total operating income (TOI) above ₹800.00 crore with improvement in profit before interest, lease, depreciation and tax (PBILDT) margin above 10.00% on a sustained basis.

Negative factors

- Larger-than-envisaged debt-funded capex which adversely impacts the company's solvency position and reduction in liquid investments below ₹150.00 crore.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) expects the entity will sustain its strong financial risk profile over the medium term considering its strong liquidity position. CareEdge Ratings also expects improvement in scale of operations across varied countries and segments, and improvement in profitability margins.

[1]SEBI: 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

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

Detailed description of key rating drivers

Key strengths

Long track record of operations with an experienced management team
CIL was promoted by late Hanuman Parshad Kedia, who had over three decades of experience in the guar gum industry. The company is currently led by Rajesh Kedia, Chairman and Managing Director, who has nearly three decades of experience in the guar gum business and oversees the company's overall operations. The management team has been further strengthened with the induction of the next generation of promoters. Rajesh Kedia's sons, Bhishm Kedia (Director & Chief Technology Officer) and Siddharth Kedia, and his daughter-in-law, Shagun Kedia (Director–Finance), play key roles in the business. Bhishm Kedia, who holds a master's degree in chemical engineering, oversees the company's technical functions, while Siddharth Kedia and Shagun Kedia, both Chartered Accountants, are responsible for global business operations and finance, respectively.

In addition, the promoter group has established a promoter-held entity registered in the United States (US). The presence of this US-based entity has supported the company in navigating evolving trade and tariff regulations, including facilitating operational efficiencies. The entity has helped mitigate the impact of tariff-related costs on the company's export business, particularly in the US market, through the timely processing and receipt of eligible tariff refunds.

The promoters' long-standing industry experience, supported by a qualified and experienced management team and an established international operating structure, continues to strengthen the company's operational and business profile.

Established relationship with reputed clients
CIL has established long-standing relationships with a diversified customer base across geographies, primarily catering to the oil drilling industry directly and indirectly. The company derives a significant portion of its revenue from customers in the US and China, with additional presence in markets such as Russia and Canada. CIL has been associated with several reputed customers, including guar derivatives manufacturers, global specialty chemicals companies for over two decades. The company has entered long-term supply arrangements with customers spanning US-based oilfield chemicals suppliers, and Netherlands-based food and feed ingredients company, providing revenue visibility and business stability. The company's established track record, product quality, and long-standing customer relationships have facilitated repeat orders and supported its market position. However, customer concentration remains moderately high, with the top five customers accounting for ~63% of total sales in FY26 (59% in FY25).

Steady scale of operations despite external headwinds
CIL continued to maintain a healthy scale of operations, reporting a TOI of ₹528.59 crore in FY26 against ₹583.53 crore in FY25. The decline in revenue was primarily attributable to a reduction in guar prices by ~16% during the year, and the impact of tariff-related uncertainties in the US market and supply chain disruptions arising from the West Asia conflict. Despite external uncertainties, the company witnessed growth in sales volumes of guar splits and guar powder, supported by its strategic supply chain initiatives, sustained demand from the oil and gas sector for hydraulic fracturing applications, increasing adoption of natural thickeners in gluten-free and vegan food products, and a growing preference for clean-label ingredients in the food and cosmetics industries.

The company's operating profitability improved, with the PBILDT margin increasing to 6.92% in FY26 from 5.24% in FY25, driven by lower raw material procurement costs. However, the profit after taxation (PAT) margin moderated to 4.89% in FY26 from 5.69% in FY25 owing to lower returns on passive investments and elevated working capital requirements arising from higher inventory levels. The increase in inventory was primarily due to longer sea transit times amid geopolitical tensions, which impacted global shipping schedules. Going forward, the company's profitability is expected to benefit from the addition of value-added guar derivatives, having lucrative margin and are likely to support improved business performance in FY27. Overall, CIL's ability to maintain stable sales volumes despite pricing pressures and external challenges reflects its established market position, diversified end-user profile, and strong customer relationships.

New value-added offerings to support diversification and profitability
The company is undertaking capex to diversify its product portfolio through the manufacture of a new range of value-added guar derivatives. While these products retain the core functional attributes of conventional guar products, they offer enhanced performance characteristics tailored to specific industrial applications. These products are expected to be significantly margin

accretive, with a projected standalone PBILDT margin in the range of ~25%-100%. The company's vertically integrated supply chain is expected to provide meaningful cost efficiencies and enhance its competitive positioning.

At present, the oil drilling sector accounts for ~67% of the company's revenue. With the introduction of the new derivative products, CIL aims to diversify its end-user profile across sectors such as personal care, textiles, mining and other high-growth industries, reducing its dependence on a single end-use segment. The company has already received qualified vendor approvals for certain derivative products from oilfield service providers and is actively engaging with prospective customers in the personal care segment. The manufacturing facility is nearing completion, and the benefits of the expansion are expected to start reflecting in the company's financial performance from Q4FY27 onwards. The company's ability to successfully commercialise these value-added products, secure requisite customer approvals, achieve optimum capacity utilisation, and improve its overall profitability will remain a key monitorable.

Comfortable financial risk profile

CIL's capital structure remains comfortable with overall gearing ratio at 0.22x as on March 31, 2026 (PY: 0.16x). The slight moderation was considering a term loan of ₹19.80 crore availed in March 2026 for funding ongoing capex. The loan, sanctioned under an Export Credit Guarantee Corporation of India (ECGC)-backed export credit framework carries a one-year moratorium with repayments scheduled over the subsequent 48 months. Debt coverage indicators remained comfortable as marked by an interest coverage ratio and total debt to gross cash accruals (TD/GCA) at 9.63x and 3.52x, respectively, in FY26 (PY: 8.13x and 1.96x). The company has extended corporate guarantees on behalf of its associate entity and has sizeable loans and advances to group entities, which has increased over the years. Any further incremental support to group entities and its impact on the company's liquidity position and financial flexibility will remain a key monitorable. The company's capital structure and debt protection metrics are expected to remain comfortable, with gearing projected to remain well below unity over the medium term.

Key weaknesses

Inherent risk associated with the agro-based industry

CIL's profitability remains exposed to fluctuations in the availability and prices of guar seed, which is the primary raw material used in manufacturing guar-based products. Guar seed is an agricultural commodity, and its production inherently depends on monsoon conditions and other climatic factors. Consequently, adverse weather conditions can impact guar seed output, resulting in supply shortages and price volatility.

India is the largest producer of guar seed, with Rajasthan, Gujarat, and Haryana being the key producing states. Over the years, guar seed production has witnessed pressure due to a gradual shift by farmers towards alternative cash crops, such as paddy and cotton, which offer relatively better realisations. As a result, guar seed supply remains vulnerable to changes in crop acreage and cultivation patterns. Possibility of El Niño conditions and other climate-related anomalies could adversely impact monsoon patterns and agricultural productivity, affecting guar seed availability and prices.

Given that raw material costs account for ~70-75% of the company's total cost of sales, significant increase in guar seed prices or disruption in its availability could adversely impact the company's operating margins, particularly in periods where cost increases cannot be passed on to customers in a timely manner.

Industry concentration and foreign exchange fluctuation risk

CIL derives a significant proportion of its revenue from customers catering to the oil drilling industry, both directly and indirectly, primarily in the US and China. Therefore, the company's business performance remains linked to the demand dynamics, capital spending patterns and overall health of the global oil and gas sector. Any prolonged downturn in drilling activity, reduction in exploration and production spending, or adverse geopolitical developments affecting global trade routes, energy markets, and supply chains could impact demand for guar-based products and the company's business performance. However, the risk is partially mitigated by the company's long-standing relationships with established customers, diversified geographical presence and ongoing capex towards value-added guar derivatives is expected to facilitate entry into sectors, such as personal care, textiles, mining and other industrial applications, reducing its dependence on the oil drilling segment over the medium term.

The company's export-oriented business profile exposes it to foreign currency fluctuation risk, with export revenues accounting for ~71% of total sales in FY26 against 69% in FY25. Adverse movements in foreign exchange rates could impact profitability and cash flows. However, the risk is largely mitigated through the company's established foreign exchange risk management practices, including the use of forward contracts to hedge its currency exposures. Reflecting favourable currency movements and its effective hedging strategy, CIL reported a foreign exchange gain of ₹9.85 crore in FY26.

Liquidity: Strong

The liquidity profile of the company remains strong, as reflected by expected GCA of ₹30.72 crore against nil repayment obligations. The company has mutual fund investments (quoted at market value) of ~₹278.82 crore as on March 31, 2026. The average utilisation of working capital limits stood ~59% for the trailing 12 months ending June 2026. The guar seed harvest occurs in October-November, resulting in higher utilisation of working capital limits in the second half of the financial year.

Assumptions/Covenants: Not applicable

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

Applicable criteria

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	Fertilizers & agrochemicals	Pesticides & agrochemicals

CIL was incorporated on August 23, 2013, and is engaged in manufacturing guar gum powder and guar gum split. The company was promoted by the late Hanuman Parshad Kedia, and the promoter family has been engaged in the manufacturing of guar gum products since 1982, bringing over three decades of experience in the guar gum industry. CIL has positioned itself in value-added guar gum products, catering primarily to the oil drilling industry both directly and indirectly, with a customer base spread across the USA, China, Russia and Canada.

As on March 31, 2026, CIL operates two manufacturing units - the Gujarat unit at Bhimasar and the Haryana unit at Siwani - with installed capacities of 20,000 MTPA for guar gum powder and 40,000 MTPA for guar gum split, respectively. The Gujarat location provides proximity to Mundra port, supporting the company's export-oriented operations, while the Haryana unit is situated within the guar-growing belt, aiding raw material access. The company's facilities are certified under FSSC 22000 for food safety management, GMP+ for feed safety assurance, and ISO 9000 for quality management systems, supporting its acceptance among international food, feed and industrial customers. The company owns two windmills with a capacity of 2.1 MW each, with power generated being sold to Southern Power Distribution Company of Andhra Pradesh Ltd under a 25-year arrangement, partly supporting its energy requirements.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (Prov.)
Total operating income	583.53	528.59
PBILDT	30.55	36.56
Profit after tax (PAT)	33.20	25.82
Overall gearing (times)	0.16	0.22
Interest coverage (times)	8.13	9.63

A: Audited; Prov.: Provisional; 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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various 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-Term Loan	RBI	Simple	-	-	-	10-03-2030	19.80	CARE A-; Stable
Fund-based - LT/ ST-EPC/PSC	RBI	Simple	-	-	-	-	65.00	CARE A-; Stable / CARE A2+
Fund-based - ST-FBN / FBP	RBI	Simple	-	-	-	-	30.00	CARE A2+
Non-fund-based - LT/ ST-BG/LC	RBI	Simple	-	-	-	-	8.00	CARE A-; Stable / CARE A2+
Non-fund-based - ST-Forward Contract	RBI	Simple	-	-	-	-	2.00	CARE A2+

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/ ST-EPC/PSC	LT/ST	65.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (08-Jul-25)	1)CARE A2+ (07-Aug-24)	1)CARE A2+ (05-Jul-23)
2	Fund-based - ST-FBN / FBP	ST	30.00	CARE A2+	-	1)CARE A2+ (08-Jul-25)	1)CARE A2+ (07-Aug-24)	1)CARE A2+ (05-Jul-23)
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	8.00	CARE A-; Stable / CARE A2+	-	1)CARE A-; Stable / CARE A2+ (08-Jul-25)	1)CARE A2+ (07-Aug-24)	1)CARE A2+ (05-Jul-23)
4	Non-fund-based - ST-Forward Contract	ST	2.00	CARE A2+	-	1)CARE A2+ (08-Jul-25)	1)CARE A2+ (07-Aug-24)	1)CARE A2+ (05-Jul-23)
5	Fund-based - LT-Term Loan	LT	19.80	CARE A-; Stable	-	1)CARE A-; Stable (08-Jul-25)	1)CARE A-; Stable (07-Aug-24)	1)CARE A-; Stable (05-Jul-23)

LT: Long term; ST: Short term; LT/ST: Long term/Short 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.

Contact us

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Sachin Mathur Director **CARE Ratings Limited** Phone: 91-120-4452054 E-mail: sachin.mathur@careedge.in Akanksha Dutta Assistant Director **CARE Ratings Limited** Phone: 91 - 120 – 4452055 E-mail: Akanksha.dutta@careedge.in Tripti Garg Lead Analyst **CARE Ratings Limited** E-mail: Tripti.garg@careedge.in

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

For detailed Rating Report and subscription information, please visit www.careratings.com