Beardsell Limited

August 20, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Fixed deposit	MCA	5.00	CARE BBB; Stable	Reaffirmed
Long-term bank facilities	RBI	25.79 (Reduced from 29.20)	CARE BBB; Stable	Reaffirmed
Short-term bank facilities	RBI	30.00	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Beardsell Limited (BSL) continue to derive strength from the company's established presence in the thermal insulation and prefab panel industry, long-standing relationships with customers across end-user industries, comfortable capital structure, and healthy debt coverage indicators.

However, ratings are constrained by the company's moderate scale of operations, susceptibility of profitability to volatility in raw material prices, highly competitive and cyclical industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations ranging above ₹350 crore with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin in the range of 9-10% on a sustained basis.
- Improvement in total debt to gross cash accruals (TD/GCA) below 1.50x on a sustained basis.

Negative factors

- Declining PBILDT margin below 5% on a sustained basis.
- Elongating receivables, stretching the liquidity position.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has analysed BSL's credit profile by considering the consolidated financial statements (comprising BSL and its wholly owned subsidiary, Sarovar Insulation Private Limited and Controlled entity: Saideep Polytherm) owing to financial and operational linkages between the parent and its subsidiary. Companies are engaged in similar/same line of business and are run by a common management. Details of subsidiary and controlled entity are listed under Annexure-5.

Outlook: Stable

CareEdge Ratings believes that BSL shall sustain its performance in the medium term and maintain a stable credit risk profile.

Detailed description of key rating drivers

Key strengths

Long track record in thermal insulation products and prefabricated panel business

BSL started its operations as a trading company in 1936 and subsequently expanded into manufacturing expanded polystyrene (EPS), a thermal insulation product, in 1967. EPS is primarily used in packaging applications for

[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.

consumer durables, electronics, pharmaceuticals and food products. company subsequently diversified into prefabricated panels and currently offers two products, Isobuild and Quikbuild. Isobuild division manufactures panels that are used for cold storage, blast freezers, and clean rooms. Quikbuild division is a modular construction system that uses prefabricated panels, which are erected on a plinth and plastered with sand or cement to form walls to create buildings. In addition to the panel supply, the company also undertakes installation and maintenance under work contracts in the prefab panels division. The prefabricated panel segment accounted for ~53% of total operating income (TOI) in FY26 (PY: 52%), while EPS contributed ~38% (PY: 41%).

Extensive experience of promoters and management

Incorporated in 1936, BSL has an operating track record of over nine decades. The company is managed by experienced promoters who have significant industry expertise in thermal insulation products, prefab panels, and engineering products. The promoters are supported by a professional management team overseeing functional departments, facilitating stable business operations, and long-standing customer relationships.

Stable scale of operation; albeit remain moderate

TOI increased marginally to ₹275.55 crore in FY26 from ₹268.51 crore in FY25 driven by healthy demand for prefabricated panels and work contract activities. The company is also benefiting from increasing polyurethane foam (PUF)-based panels, particularly from data centre applications, which is supporting a gradual shift from conventional EPS panels across select end-user segments and should aid product mix over the medium term. Nevertheless, the company's scale of operations remains moderate, limiting the benefits of scale.

Comfortable capital structure and debt coverage indicators

BSL's capital structure remained comfortable despite its moderate net worth base, with overall gearing improving to 0.30x as on March 31, 2026, from 0.47x a year earlier. Debt coverage indicators also strengthened marked by interest coverage of 7.14x and TDGCA of 1.43x in FY26. The company is envisaged to undertake capex worth ~ ₹40 crore over next two years to enhance the existing capacity and relocate one of the manufacturing units. This capex is expected to be partly funded by debt. The proposed debt-funded expansion is likely to result in a marginal moderation in the capital structure and debt protection metrics over the medium term.

Key weaknesses

Volatility in profitability margins susceptible to change in raw material prices

BSL's profitability remains susceptible to fluctuations in key raw material prices, including petroleum-based inputs such as EPS resins and PUF chemicals, and steel, which together constitute a significant portion of its input costs. The company faces challenges in passing on increased raw material costs to customers due to stiff industry competition. Despite continued pricing pressure from organised and unorganised players, particularly in the EPS segment, the company benefitted from a favourable product mix and higher contribution from prefab panel operations, resulting in largely stable operating margin over the years. PBILDT margin improved to 9.11% in FY26 from 8.65% in FY25 supported by stabilised raw material cost in addition to the operational efficiencies. However, PBILDT margin dropped to 5.90% in Q1FY27 from 8.42% in Q1FY26 due to the delay in passing on the increased raw material cost to customers. The company's profitability remains susceptible to fluctuations in raw material prices and competitive intensity in the industry.

Stiff competition due to fragmented industry structure

BSL operates in highly fragmented thermal insulation and prefab panel industries characterised by the presence of numerous organised and unorganised players. Intense competition continues to exert pressure on product pricing and profitability. The company's operations also remain linked to demand conditions in end-user industries, such as consumer durables, pharmaceuticals, infrastructure, warehousing, industrial construction and engineering sectors, exposing it to sectoral demand fluctuations.

Liquidity: Adequate

The company generated GCA of ~₹18.77 crore in FY26 and reported cash and cash equivalents of ₹9.50 crore as on March 31, 2026, against scheduled debt repayments and deposit maturities of ~₹3.41 crore in FY27. Average utilisation of fund-based working capital facilities remained moderate at ~56% in the 12-month period ended June 2026.

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
- Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Diversified	Diversified	Diversified	Diversified

BSL was incorporated in 1936 as a trading company, which eventually diversified into manufacturing variety of industrial products serving different customer segments. The company has three divisions, EPS products, Isobuild, and Quikbuild. The company is also engaged in trading electric motors from Siemens. BSL has eight manufacturing units in Chennai, Thane, Bengaluru, Karad, Hyderabad, Hapur, Kochi, and Coimbatore (including the subsidiary and controlled entity). The company has an installed capacity of producing 3,786 metric tonnes (MT) of EPS, 594,000 sq. m of Isobuild and 125,000 sq. m of Quikbuild as on March 31, 2026.

Consolidated

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	268.51	275.55	72.20
PBILDT*	23.21	25.10	4.26
PAT	9.83	11.44	2.26
Overall gearing (times)	0.47	0.30	-
Interest coverage (times)	6.02	7.14	7.22

A: Audited; UA: Unaudited; Note: These are latest available financial results available
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA:
BSL has not co-operated with Investment Information and Credit Rating Agency (ICRA Ratings), where it has classified the issuer as 'non-cooperative' vide its press release dated July 3, 2026. The reason provided by ICRA Ratings was non furnishing of sufficient information towards monitoring ratings.

BSL has not co-operated with CRISIL Ratings, where it has classified the issuer as 'non-cooperative' vide its press release dated November 27, 2025. The reason provided by CRISIL Ratings was non furnishing of sufficient information towards monitoring ratings.

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

Details of rated facilities: 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
Fixed Deposit	MCA	Simple		-	-	-	5.00	CARE BBB; Stable
Fund-based - LT-Cash Credit	RBI	Simple	-		-	-	20.00	CARE BBB; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	31-05-2031	5.79	CARE BBB; Stable
Non-fund-based - ST-BG/LC	RBI	Simple	-		-	-	30.00	CARE A3+

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	20.00	CARE BBB; Stable	-	1)CARE BBB; Stable (04-Aug-25)	1)CARE BBB-; Positive (09-Aug-24)	1)CARE BBB-; Stable (31-Oct-23)

2	Non-fund-based - ST-BG/LC	ST	30.00	CARE A3+	-	1)CARE A3+ (04-Aug-25)	1)CARE A3 (09-Aug-24)	1)CARE A3 (31-Oct-23)
3	Fund-based - LT-Term Loan	LT	5.79	CARE BBB; Stable	-	1)CARE BBB; Stable (04-Aug-25)	1)CARE BBB-; Positive (09-Aug-24)	1)CARE BBB-; Stable (31-Oct-23)
4	Fixed Deposit	LT	5.00	CARE BBB; Stable	-	1)CARE BBB; Stable (04-Aug-25)	1)CARE BBB-; Positive (09-Aug-24)	-

LT: Long term; ST: 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

Annexure-5: List of all the entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Sarovar Insulation Private Limited	Full	Wholly Owned Subsidiary
2	Saideep Polytherm	Full	Strong operational and financial linkages

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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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

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