

Bhageria Industries Limited

October 08, 2026

Facilities/Instruments	Name of the Regulator ¹	Amount (₹ crore)	Rating ²	Rating Action
Long Term / Short Term Bank Facilities	RBI	141.00 (Enhanced from 91.00)	CARE A; Stable / CARE A1	Reaffirmed and removed from Rating Watch with Negative Implications; Stable outlook assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation of the ratings and removal of the ratings from 'Rating Watch with Negative Implications' factors in Bhageria Industries Limited's (BIL's) steady operating and financial performance in FY26 and Q1 FY27 as well as timely resumption of operations at the company's sulphonation section of H-Acid manufacturing facility in MIDC Tarapur following the temporary shutdown notice received from the Maharashtra Pollution Control Board (MPCB) in March 2026. The ratings had earlier been placed under rating watch considering the potential impact of a prolonged plant shutdown on BIL's business and financial profile, given that H-Acid contributes 30-35% of the company's overall revenue. The company did not face any major disruption and has reported steady performance. The reaffirmation of the ratings also reflects the expectation that BIL will sustain its operating performance over the medium term, underpinned by ramp-up of utilisation of enhanced chemical manufacturing capacities, and incremental contribution from solar power projects under implementation.

BIL's consolidated income from operations grew by ~47% year-over-year (y-o-y) to ₹876 crore in FY26 driven by recovery in sales volume following an uptick in demand even as growth in overall realisations remained muted. Its profit before interest, lease rental, depreciation and taxation (PBILDT) margin moderated by ~370 bps y-o-y to 10.6% in FY26 owing to volatile prices, higher logistic costs and competitive market. However, BIL's performance improved in Q1 FY27 with revenue from operations growing by ~82% y-o-y to ₹286 crore, amidst sustained demand and steep rise in prices, with expansion in PBILDT margin to 14.7%. BIL increased its H-Acid manufacturing capacity by ~25% to 500 metric tonnes (MT) per month in H2 FY26 and ventured into manufacturing of plasticizers, which is expected to support medium term revenue growth and product diversification. Furthermore, BIL is setting up a 32 MW solar power plant at Ahilyanagar, Maharashtra under the Mukhyamantri Saur Krushi Vahini Yojana 2.0 at a project cost of ~Rs. 142 crore, partly funded through term debt of ~Rs. 105 crore. The power plants have a 25-year power purchase agreement (PPA) with Maharashtra State Electricity Distribution Company Limited (MSEDCL), providing assured offtake and revenue visibility. As on H1 FY27 of this, BIL has commissioned 21 MW capacity while the balance is expected to be commissioned in October 2026.

The ratings continue to derive strength from BIL's comfortable capital structure and strong debt protection metrics, notwithstanding an increase in debt in FY26 mainly associated with ongoing expansion. The ratings also factor in BIL's established presence in the dyes and dye-intermediates industry, diversified operations across chemicals and solar power and strong liquidity position.

However, ratings remain constrained by BIL's moderate scale of operations, exposure of profitability to volatility in raw material costs, working capital intensive operations and 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.

¹SEBI: 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

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

- 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-5.

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that BIL will continue to maintain comfortable debt coverage metrics and liquidity position over the medium term while benefiting from its established market position and experienced promoters.

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 ₹590 crore as on March 31, 2026 (PY: ₹523 crore). Capital structure stood favourable marked by overall gearing at 0.27x (PY: 0.14x) and TOL/TNW at 0.45x (PY: 0.31x) as on March 31, 2026. In FY26, debt coverage indicators stood comfortable marked by total debt to PBILDT (TD/PBILDT) at 1.70x (PY: 0.91x) and PBILDT interest coverage ratio at 27.23x (PY: 30.49x). The company is undertaking capex for setting up 32MW solar power under Mukhyamantri Saur Krushi Vahini Yojna in Maharashtra with a total capex of ~₹152 crore, partially funded through term loans of ~Rs. 105 crore, of which ~Rs. 78 crore has been drawn down till March 31, 2026. 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 is expected to benefit from the promoters' extensive experience and its long-standing relationship with clientele in future.

Consistent revenue and profit contribution from solar power segment

BIL entered in solar power generation in 2015 by commissioning 3.78MW solar power capacity, most of which is at Chennai and has power purchase agreement (PPA) for 25 years at ₹6.61/unit. BIL also commissioned 30MW_{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 contribution of ₹27-30 crore p.a. with sustained profitability from solar division. BIL has been construction additional 32 MW_{AC} power plant under the Mukhyamantri Saur Krushi Vahini Yojna with 25-year PPA with MSSEDCL of which 21MW has been commissioned till H1 FY27 and the balance is expected to be commissioned in October 2026. This is expected to add another ₹22-25 crore in annual revenue from the solar segment. The company has demonstrated healthy capacity utilisation factor for its 30MW power plant with SECI over the years, which provides confidence in its ability to operate solar power plants.

Growing albeit moderate scale of operations with backward integration

BIL's total operating income (TOI) registered a growth y-o-y by ~47% to ₹876 crore in FY26 compared to ₹596 crore in FY25, marked by ~64% y-o-y growth from chemical segment owing to improved realisations and healthy demand leading to volume growth while revenue from solar power segment remained stable in the range of ₹28-29 crore. Despite growth in scale overall operations remained at moderate level.

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 6,000 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. The backward integrated operations allow BIL to capture a larger portion of the value chain while also maintaining control over quality and supply availability.

Key weaknesses

Profitability susceptible to raw material price volatility and foreign exchange rates

BIL's PBILDT margin declined by 365 bps to 10.62% in FY26 compared to 14.27% in FY25 owing to volatile raw material prices, higher logistic costs and heightened competition amidst evolving demand. The trend, however, reversed in Q1 FY27 with PBILDT margin improving to 14.7% on account of increasing realizations and better absorption of fixed costs. Its principal raw materials remain 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. BIL's profitability is susceptible to volatility in prices of raw materials. The company derived ~35% of revenue from exports in FY26, 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 64 days as on March 31, 2026 (PY: 93 days). In FY26, collection days improved to 72 days (PY: 104 days) and inventory days stood at 25 days (PY: 34 days), while creditor days stood at 33 days (PY: 45 days). The company has adequate cushion in its working capital borrowings to support elongation in the working capital cycle.

Operations remain susceptible to changes in environmental regulations

Since companies manufacturing dyes and dye intermediates generate 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. While BIL has long track record of operations, regulatory interventions like the temporary shutdown of the sulphonation section of BIL's H-Acid manufacturing facility by MPCB in March 2026, could have a significant impact on its operations.

Liquidity: Strong

BIL's liquidity remains strong supported by expected gross cash accruals of Rs. 115-140 crore p.a. over the next 1-2 years against scheduled debt repayments of Rs. 5-10 crore p.a. and capex requirements of Rs. 15-25 crore p.a. The company had sizeable free cash and liquid investments of ~₹98 crore as on March 31 2026 with average utilisation of fund-based limits at ~20% in the last 12 months ending July 31, 2026, indicating a sizeable liquidity cushion. The current ratio and quick ratio also remained comfortable at 2.22x and 1.87x, respectively, as on March 31, 2026.

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](#)

[Consolidation](#)

[Solar Power Projects](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals & 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 and 32-MW solar power plant with MSDECL having a PPA for 25 years.

Brief financials – Consolidated (₹ Crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1 FY27 (UA)
Total operating income	596.62	875.81	286.42
PBILDT*	85.14	93.02	42.03
PAT	38.69	44.49	33.91
Overall gearing (times)	0.09	0.19	NA
Interest coverage (times)	30.49	27.23	22.12

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

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

Brief financials – Standalone (₹ Crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1 FY27 (UA)
Total operating income	599.17	874.23	284.02
PBILDT*	87.62	95.98	40.06
PAT	42.27	50.30	35.94
Overall gearing (times)	0.06	0.01	NA
Interest coverage (times)	53.67	45.57	66.76

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

*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

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/ST-CC/PC/Bill Discounting	RBI	NA	-	-	-	-	140.00	CARE A; Stable / CARE A1
Fund-based - LT/ST-Working Capital Limits	RBI	NA	-	-	-	-	1.00	CARE A; Stable / CARE A1

NA: Not Applicable

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-CC/PC/Bill Discounting	LT/ST	140.00	CARE A; Stable / CARE A1	-	1)CARE A / CARE A1 (RWN) (12-Mar-26) 2)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)
2	Fund-based - LT/ ST-Working Capital Limits	LT/ST	1.00	CARE A; Stable / CARE A1	-	1)CARE A / CARE A1 (RWN) (12-Mar-26) 2)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)

LT/ST: Long term/Short term; RWN: Rating Watch with Negative Implications

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 entities consolidated**

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Bhageria & Jajodia Pharmaceuticals Private Limited	Full	Subsidiary
2	Hikaru Solar Power Private Limited	Full	Wholly owned subsidiary
3	New Ahilyanagar Solar Private Limited	Full	Wholly owned subsidiary
4	Rahuri Cleantech Private Limited	Full	Wholly owned subsidiary
5	Salasar Renewables Private Limited	Full	Wholly owned subsidiary
6	Bhageria Industries Holding Company WLL#	Full	Wholly owned subsidiary
7	Bhageria Rare Earth Minerals Private Limited*	Full	Wholly owned subsidiary

Note: As on June 30, 2026

#Liquidated as on November 20, 2025

*Incorporated on May 14, 2026

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 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: +91-22-6754 3444 E-mail: ankur.sachdeva@careedge.in	Analytical Contacts Akhil Goyal Director CARE Ratings Limited Phone: +91-22-6754 3590 E-mail: akhil.goyal@careedge.in Raunak Modi Assistant Director CARE Ratings Limited Phone: +91-22-6754 3537 E-mail: raunak.modi@careedge.in Lavish Mittal Analyst CARE Ratings Limited E-mail: lavish.mittal@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**