Bhagiradha Chemicals & Industries Limited.
Unit No.1011A, Level 1, Sky One (Wing A),
Prestige SkyTech, Financial District,
Nanakramguda, Hyderabad - 500032,
Telangana, INDIA.
Tel : +91-40-65440409
Fax: +91-40-23540444
E-Mail: info@bhagirad.com

Ref: BCIL/SE/2026/58

August 21, 2026

To,
The Secretary,
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Scrip Code: 531719

To,
The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, G Block, Bandra-Kurla,
Complex, Bandra (East), Mumbai – 400 051

Symbol: BHAGCHEM

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 – Intimation of Credit Rating of Wholly Owned Subsidiary

Dear Sir / Madam,

With reference to the captioned subject, pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that India Ratings and Research (Ind-Ra), has assigned credit rating for the bank loan facilities availed by Bheema Fine Chemicals Private Limited, Wholly Owned Subsidiary of the Company as follows:

Instrument Description	Regulator of Instrument	Size of Issue (INR million)	Rating Assigned along with Watch/Outlook	Rating Action
Bank loan facilities	RBI	6,000	IND BBB+/Stable/ IND A2+	Assigned

The press release by India Ratings and Research (Ind-Ra) can be accessed from the following link: https://www.indiaratings.co.in/pressrelease/84914

The copy of the same is also available on the website of the Company at www.bhagirad.com

Kindly take the same on record and display on the website of your exchange.

Thanks & Regards,

For **Bhagiradha Chemicals and Industries Limited,**

MANDALA SHARANYA

Digitally signed by MANDALA SHARANYA
DN: c=IN, o=Personal, title=6706, pseudonym=49974ed7303b43ebb60b14ad468a6b76, 2.5.4.20=4f1d758359908dd3c489e3dcea48e3668bc08e7b6be982294ff4a20451d3cc18, postalCode=500073, st=Telangana, serialNumber=c471dca24913b7a74f3fa5f6be30e4f19211fa476bd88a33242db7bc4f711c6a, cn=MANDALA SHARANYA
Date: 2026.08.21 15:54:04 +05'30'

Sharanya. M
Company Secretary & Compliance Officer
M. No: F13842

India Ratings & Research
A Fitch Group Company

India Ratings Assigns Bheema Fine Chemicals's Bank Loan Facilities 'IND BBB+'/Stable/'IND A2+'

Aug 20, 2026 | BHEEMA FINE CHEMICALS PRIVATE LIMITED | Pesticides & Agrochemicals

India Ratings and Research (Ind-Ra) has rated Bheema Fine Chemicals Private Limited's (BFCPL) bank loan facilities as follows:

Details of Instruments

Instrument Description	Regulator of Instrument	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (INR million)	Rating Assigned along with Watch/Outlook	Rating Action
Bank loan facilities	RBI	-	-	-	6,000	IND BBB+/Stable/IND A2+	Assigned

Analytical Approach

Ind-Ra has taken a top-down rating approach to arrive at BFCPL's ratings. The agency has taken a fully consolidated view of BFCPL and its parent, Bhagiradha Chemicals & Industries Limited (BCIL, debt rated at 'IND BBB+'/Stable), given the strong legal, operational and strategic linkages between the entities.

Detailed Rationale of the Rating Action

The rating reflects BFCPL's strong strategic, operational and financial linkages with its parent, BCIL, including the unconditional and irrevocable corporate guarantee (CG) provided by the latter to the former's bank facilities. BFCPL is central to BCIL's growth strategy, with the ongoing 9,000 metric tonnes per annum (mtpa) capacity expansion project to increase the group's aggregate capacity to 12,250 mtpa. Ind-Ra expects BFCPL to contribute around 70% to the consolidated business upon the full commissioning of the project and strengthen backward integration, reduce dependence on imported raw materials, and enhance value addition.

Ind-Ra expects a significant improvement in BCIL's consolidated business profile over FY27-FY28, driven by the ramp-up of the recently commissioned Phase I capacity of 4,500 mtpa at BFCPL and improving demand conditions. The EBITDA margins are also likely to benefit from higher backward integration and increased value addition. The liquidity remains adequate, supported by sanctioned working capital facilities and the moratorium available on debt availed for the ongoing expansion project.

The rating is, however, constrained by the elevated net leverage, due to the ongoing debt-funded capex programme; the working capital-intensive nature of operations; high product concentration; and regulatory risks inherent in the agrochemical industry. The timely completion and stabilisation of the remaining phase 2 capacity, along with the resultant improvement in the credit metrics will remain key rating monitorables.

List of Key Rating Drivers

Strengths

- Strong linkages with parent
- Revenues and margins to improve over FY27-FY28
- Capex plans to increase scale of operations
- Credit metrics supported by equity infusion and phased capex execution

Weaknesses

- Working capital-intensive nature of business
- High product concentration risk
- Regulated nature of industry

Detailed Description of Key Rating Drivers

Strong Linkages with Parent: Ind-Ra assesses the linkages between BFCPL and BCIL as strong, given BFCPL's strategic importance to the parent's growth and integration plans. BFCPL is undertaking capex to add 9,000 mtpa at Yadgir, Karnataka, which would complement BCIL's existing 3,250 mtpa facility at Prakasam, Andhra Pradesh, and increase the total capacity to 12,250 mtpa. The capacity augmentation project has been undertaken through a separate legal entity, primarily for tax efficiency purpose. BFCPL's facility is strategically important to BCIL's growth plans, as the facility is likely to strengthen backward integration, reduce dependence on imported raw materials and enhance value addition, thereby supporting an improved margin profile. BFCPL's bank facilities carry an unconditional and irrevocable CG from BCIL, reflecting the parent's strong financial commitment and support to the subsidiary. Furthermore, upon full commissioning, BFCPL is likely to contribute around 70% to the consolidated business. The operational and managerial integration between the entities is also strong, with BFCPL's board comprising BCIL directors and key management personnel, including BCIL's managing director, S. Shekhar; and chief executive officer, Arvind Kumar. Consequently, Ind-Ra expects BCIL to continue to extend timely operational, managerial and financial support to BFCPL, as and when required.

Revenues and Margins to Improve over FY27-FY28: BCIL's consolidated revenue increased to INR1,950 million in 1QFY27 (FY26: INR5,359 million; FY25: INR4,405 million) and EBITDA improved to INR305 million (INR571 million; INR369 million), with EBITDA margins rising to 15.7% (10.7%; 8.4%), supported by volume growth, better realisations and improved product mix.

Ind-Ra expects the consolidated revenue and absolute EBITDA to significantly improve over FY27-FY28, driven by the ramp-up of the Bheema facility. The company commissioned the first production line under Phase I in March 2024 and subsequently commissioned the multi-line production facility with an aggregate capacity of 4,500 mtpa in December 2025. Ind-Ra believes that while some stabilisation-related challenges may arise during the ramp-up phase, the incremental volumes from the new facility would drive a significant increase in operating scale over the medium term.

Furthermore, improved demand conditions and lower channel inventories following moderation in Chinese dumping are likely to support utilisation ramp-up at the Bheema facility. Ind-Ra expects the company's profitability to benefit from higher backward integration, lower dependence on imported raw materials and increased value addition. The timely stabilisation of the new facility and sustainability of the improved profitability profile, as reflected in the 1QFY27 performance, remain key rating monitorables.

Capex Plans to Increase Scale of Operations: BCIL has undertaken a phased capacity expansion through its subsidiary, BFCPL, to augment its technical manufacturing capacity by 9,000 mtpa. The overall capex outlay is estimated at INR9,500 million, including the goods and services tax (GST), to be implemented over FY24-FY28, of which around INR6,000 million has been incurred by end-June 2026. BCIL plans to incur capex of around INR1,300 million in FY27 and INR2,250 million in FY28 toward the remaining Phase 2 expansion.

To fund the capex, BCIL had issued share warrants worth INR3,410 million, the proceeds of which were received by FYE25. Additionally, the company intends to raise debt of INR4,600 million for the expansion, of which INR1,600 million has already been tied up. Ind-Ra expects the balance capex requirements to remain supported through internal accruals and the anticipated GST input credit of around INR500 million, which is likely to be realised upon the ramp-up of the Phase 1 capacity.

Ind-Ra will continue to monitor the progress of the capex execution, funding tie-ups, and the operational ramp-up, given their significance to the company's medium-term credit profile.

Credit Metrics Supported by Equity Infusion and Phased Capex Execution: Despite the ongoing capex programme, Ind-Ra expects BCIL's consolidated credit metrics to remain comfortable over FY27-FY28, supported by the equity infusion undertaken over FY23-FY25, which funded a portion of the capex requirements along with the ramp-up of the recently commissioned Phase 1 capacity at Bheema.

BCIL's total debt increased to INR2,600 million at FYE26 (FY25: INR890 million; FY24: INR615 million), primarily due to debt drawdowns for the ongoing capex. The debt comprised long-term borrowings of INR1,600 million at FY26 (FY25: INR365 million; FY24: INR209 million), with the balance consisting of working capital borrowings, letters of credit (LC) acceptances and lease liabilities. Ind-Ra expects the consolidated net leverage to remain elevated over FY27-FY28, driven by its incremental debt drawdown for the ongoing capex and the time required for EBITDA generation from the new facilities to ramp up. The net leverage (net debt/EBITDA) increased to 4.3x in FY26 (FY25: 1.6x), while the interest coverage ratio (EBITDA/interest expense) moderated to 3.3x (5.2x), on account of higher utilisation of the working capital limits and increased borrowing to fund the capex.

Ind-Ra expects the net leverage to peak to around 5x in FY28, and moderate below 4x after the full commercialisation of the new capacities, subject to the absence of any new incremental debt-funded capex, which will remain a monitorable. Nevertheless, the agency derives comfort from improving operating performance, following the ramp-up of the BFCPL facility, as reflected in the improvement in the interest coverage ratio to 4.8x in 1QFY27. The timely completion and ramp-up of BFCPL's facility and the resultant improvement in the credit metrics will remain key rating monitorable.

Working Capital-Intensive Nature of Business: BCIL's operations, similar to those of other players in the agrochemical industry, are inherently working capital intensive, resulting in higher working capital borrowings. The company extends a credit period of 90-120 days to its customers. Given the seasonal demand pattern for crop protection chemicals and the lead time associated with imported raw materials, the inventory holding period remains cyclical, typically at 80-110 days. However, with the Bheema facility's ramp-up, the management expects the company's reliance on imported raw material to reduce materially. The company's creditor days stood at 60-90 days, and raw material procurement is supported through LCs.

The net working capital cycle remained stretched but reduced to 145 days in FY26 (FY25: 177 days; FY24: 142 days), driven by a moderation in receivable days to 139 days (144; 96) amid increased competitive intensity, prompting the company to extend longer credit terms to customers. Its inventory days also reduced to 111 days in FY26 (FY25: 117; FY24: 112). Payable days increased to 105 days in FY26 (FY25: 84; FY24: 65). Ind-Ra expects the working capital cycle to remain elongated over FY27-FY28, due to increased competition in the market and the company's strategy to support revenue growth across its product segments.

High Product Concentration Risk: BCIL's product portfolio is broadly classified into insecticides, herbicides, and fungicides. The company manufactures agrochemical technical products, and it had around 35 products, with another five-to-seven products under development at end-June 2026. The proposed product mix at the Bheema facility is likely to mirror BCIL's existing portfolio, supporting a higher degree of backward integration along with the introduction of new and generic molecules.

BCIL's key products include Chlorpyriphos, Azoxystrobin, Fipronil, Dichloroaniline, and Trifloxystrobin. The company continues to exhibit high product concentration, with its top three products — Chlorpyrifos, Azoxystrobin, and Fipronil — contributing 73.5% to its revenue in FY26 (FY25: 70.4%; FY24: 71.5%). However, Ind-Ra expects the product concentration to gradually moderate as operations at Bheema unit scale up. The company also plans to discontinue Chlorpyriphos production going forward and utilise the capacity for the manufacturing higher-value products.

Furthermore, the company sells its products to other leading agro-chemical entities. The top 10 customers accounted for 53.1% of the sales in FY26 (FY25: 50.5%; FY24: 58.7%), indicating improving customer diversification. Also, the top 10 suppliers for the company formed around 39.3 % of its purchases in FY26 (FY25: 63.8%; FY24: 51.9%).

Regulated Nature of Industry: The manufacturing of agrochemicals, such as insecticides, pesticides and herbicides, is regulated by the government. The company's products are regulated by the Central Insecticides Board and Registration Committee. Given the regulated nature of the industry, any ban or restriction on the usage of specific molecules/products could adversely affect the company's revenue profile. Ind-Ra considers this an inherent industry risk and views regulatory developments pertaining to key products as a key rating monitorable.

Liquidity

Adequate: BCIL's unencumbered cash and cash equivalents reduced to INR163.5 million at FYE26 (FYE25: INR282.3 million; FYE24: INR484 million), due to the utilisation of funds for the ongoing capex programme. At the standalone level, the average monthly utilisation of BFCPL's sanctioned fund-based working capital limits of INR550 million and non-fund-based limits of INR300 million was 14% and 37%, respectively, for the 12 months ended June 2026. Ind-Ra derives comfort from the availability of these limits, given the incremental working capital required to support revenue growth as operations at BFCPL scale up. Furthermore, Ind-Ra expects the capex funding and liquidity of BFCPL to remain supported by BCIL's standalone operational cashflows.

BCIL's consolidated cash flow from operations turned positive at INR57.9 million in FY26 (FY25: negative INR541.2 million; FY24: INR299.9 million), supported by the increase in its EBITDA. The free cash flow remained negative over FY24-FY26 due to the sizeable capex undertaken by the company (FY26: INR1,601.1 million; FY25: INR2,522.8 million; FY24: INR790.5 million), largely at BFCPL. Furthermore, the company paid dividends worth INR19.5 million in FY26 (FY25: INR12.4 million; FY24: INR31.3 million).

The company has availed INR1,750 million of debt for the ongoing capex and plans to tie up additional debt of INR3,000 million. Ind-Ra will continue to monitor the progress of the same. The company has moderate debt repayments of INR85.3 million in FY27 and INR290.5 million in FY27. Furthermore, the liquidity remains supported by the moratorium on repayments for debt drawn for the ongoing capex at BFCPL.

Rating Sensitivities

Positive: An upgrade in the ratings of BCIL while maintaining the linkages between BFCPL and BCIL will lead to a positive rating action.

Negative: A downgrade in the ratings of BCIL or a weakening of linkages between BFCPL and BCIL will lead to a negative rating action.

Any Other Information

Standalone Performance: BFCPL reported revenue of INR877.2 million in 1QFY27 (FY26: INR808.5 million; FY25: INR216.3 million) and an EBITDA of INR119.3 million (INR73.7 million; negative INR11.9 million). The interest coverage improved to 2.98x in 1QFY27 (FY26: 0.95x; FY24: not meaningful) with the ramp-up of the Phase 1 facility.

About the Company

BFCPL was incorporated on 22 July 2020 to manufacture agrochemicals such as pesticide, insecticide, herbicide among others. BFCPL is setting up a 9,000 mtpa technical and intermediates manufacturing facility at Kadechur industrial area (Yadgir, Karnataka). Out of the total capacity, 4,500 mtpa was commissioned in December 2025. BFCPL is a wholly owned subsidiary company of BCIL.

Key Financial Indicators

Particulars - Consolidated	1QFY27	FY26	FY25
Revenue (INR million)	1,950	5,359	4,405
EBITDA (INR million)	305	571	369
EBITDA margin (%)	15.7	10.7	8.4
Interest coverage (x)	4.8	3.3	5.2
Net leverage (x)	-	4.3	1.6
Source: BCIL, Ind-Ra			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	Current Rating/Outlook		
	Rating Type	Rated Limits (INR million)	Current Rating
Bank loan facilities	Long-term/short-term	6,000	IND BBB+/Stable/IND A2+

Disclosure on instruments / activities and names of regulators:

A list of products/activities or ratings of instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by Ind-Ra on its website. A link to the same has been provided below for ready reference:

Rating Activities

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.

Bank wise Facilities Details

The details are as reported by the issuer as on (20 Aug 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	Axis Bank Limited	Fund Based Working Capital Limit	150	IND BBB+/Stable / IND A2+
2	ICICI Bank	Fund/Non-Fund Based Working Capital Limit	100	IND BBB+/Stable / IND A2+
3	RBL Bank	Fund/Non-Fund Based Working Capital Limit	450	IND BBB+/Stable / IND A2+
4	Axis Bank Limited	Non-Fund Based Working Capital Limit	150	IND BBB+/Stable / IND A2+
5	Axis Bank Limited	Term loan	750	IND BBB+/Stable
6	ICICI Bank	Term loan	600	IND BBB+/Stable
7	RBL Bank	Term loan	250	IND BBB+/Stable
8	NA	Proposed Bank loan facilities	3550	IND BBB+/Stable / IND A2+

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity-indicators.

Contact

Primary Analyst
Rushabh Shah
Senior Analyst
India Ratings and Research Pvt Ltd
Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East,Mumbai - 400051
+91 22 40001775
For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst
Pritha Preshi Sharma
Associate Director
+91 22 40001770

Media Relation
Ameya Bodkhe
Marketing Manager
+91 22 40356121

India Ratings and Research (Ind-Ra) is India's SEBI registered credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Corporate Rating Methodology

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

DISCLAIMER