



Press Release

Bodal Chemical Limited

December 09th, 2025

Ratings

Facilities	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<u>Complexity Indicator</u>
Long Term Fund Based Bank Facilities	957.53	IVR A-/ Stable (IVR Single A Minus with Stable Outlook)	--	Rating Assigned	Simple
Short Term Bank Facilities	120.00	IVR A2+ (IVR A Two Plus)	--	Rating Assigned	Simple
Proposed - Commercial Paper (CP)	50.00	IVR A2+ (IVR A Two Plus)	--	Rating Assigned	Simple
Total	Rs.1127.53 crore (Rupees One Thousand One Hundred Twenty-Seven Crore and Fifty-Three Lakh Only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics has assigned the ratings to the bank facilities and debt instruments of Bodal Chemical Limited (BCL), deriving comfort from its established track record of operations in the dye intermediates industry, comfortable capital structure supported by a healthy net worth base, and the improved scale of operations and profitability during FY25, with expectations of maintaining a similar growth in the medium term. The rating, however, remains constrained by moderate coverage indicators, the working capital-intensive nature of operations, exposure to cyclicalities in the dye intermediates industry and sensitivity to end-user demand, vulnerability to volatility in raw material prices and foreign exchange fluctuations, and the environmental and regulatory risks inherent to the chemical industry.

The Stable Outlook reflects Infomerics' expectation that BCL's operational and financial performance is expected to improve with expectations of improvement in profitability in FY25



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Key Rating Sensitivities:

Upward Factors

- Significant improvement in revenue composition leading to higher and more stable EBITDA margins along with improvement in working capital cycle leading to overall improvement in liquidity position

Downward Factors

- Lower than expected revenue and profitability and/or any unplanned debt led capex and/or lower than projected asset monetization leads to deterioration in credit profile and liquidity position.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Established track record of operations in the dye intermediates industry

BCL has an established operational track record of over three decades in the dye intermediates industry, with a well-diversified product portfolio comprising dyestuffs, dye intermediates, chlor-alkali products, basic chemicals, Trichloroisocyanuric Acid (TCCA) and Benzene. The manufacturing process relies on key raw materials such as aniline oil, ethylene oxide, refined naphthalene, sulphur, and acetanilide. The business also benefits from the longstanding experience of its promoter group, who have a presence across power generation industries and dye and dye intermediates. Bodal is fully integrated operations producing most intermediates and key raw materials in-house ensure cost efficiency, supply reliability, and margin stability.

Improved scale of operations FY25

BCL's scale of operations improved in FY25, with revenues increasing to Rs.1,744 crore from Rs.1,399 crore in FY24, following a recovery in demand conditions. The improvement was driven by higher realizations in the dye intermediates segment, supported by a revival in both global and domestic textile production and the stabilization of inventory levels in key export markets. BCL has reported revenue of Rs.934.66 crore 1HFY26 (1HFY25: Rs.854.09 crore). BCL is expected to achieve revenue in the range of Rs.1,900-Rs.2,000 crore during FY26 with expected improvement in capacity utilization of Benzene unit, with expected improvement in volumes of TCCA along with stable revenue growth in Dyes and Dyes Intermediaries segment.



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Stable capital structure and asset monetization:

BCL's capital structure remained stable, with an overall gearing of 0.85x and TOL/TNW of 1.17x as on March 31st, 2025 (March 31st, 2024: 0.85x and 1.14x, respectively). BCLs' gearing further improved during 1HFY26 and stood at 0.73x, due to reduction in debt with total debt has reduced to Rs.858.1 crore as compared Rs.905.97 crore in FY25. As per management, BCL is expected to monetize its land and expected to receive Rs.137 crore over FY26-FY28. The ability of BCL to reduce its debt would be key monitorable.

B. Key Rating Weaknesses

Volatile Profitability

BCL's operating profitability improved in FY25, with the EBITDA margin improved to 9.10% in FY25 from 7.12% in FY24, with higher proportion of higher margin dye intermediates and chlor-alkali segments, increased operating efficiency as the BCL closed its legacy units and tight control on power and fuel costs despite 20% higher volumes of power intensive chlor-alkali segment. BCL's EBITDA margins have declined to 8.3% in 1HFY26 (1HFY25:8.7%) due to lower EBITDA margins during 2QFY26 which stood at 4.9%. EBITDA margins has been impacted due to US Tariff. Ability of BCL to improve its profitability over the medium term would be key monitorable.

Moderate Coverage Indicators

BCL's debt protection metrics remain moderate, with interest coverage of 1.95x at the end FY25 (FY24:1.84x). EBITDA interest coverage marginally declined to 1.76x during 1HFY26 with higher interest cost and lower absolute EBITDA as compared to FY25. Interest cost has increased due to higher utilization of working capital limits.

Working Capital-intensive Nature of Operations

BCL has elongated working capital cycle though improved on y-o-y basis with net operating cycle stood at 103 days at the end of FY25 as compared to 134 days. Net operating capital cycle remained high due to high receivable days though improved during FY25 and stood at 83 as compared to 107 days in FY24 due to faster realization as compared to preceding year. Average working capital utilization based on drawing power for twelve months ended October 2025 stood at 80% which provides limits liquidity cushion.



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Exposure to cyclical in the dye intermediates industry and sensitivity to end-user demand

The dye intermediates industry remains inherently cyclical and closely linked to demand trends in textiles, leather, and paper industries, both in domestic and export markets. Consequently, BCL's performance is exposed to fluctuations in end-user demand, as witnessed in FY24 when weak global textile demand and elevated inventory levels in export markets led to a contraction in revenues and profitability.

Exposure to volatility in raw material prices and foreign exchange fluctuations

BCL's key raw materials—such as aniline oil, ethylene oxide, refined naphthalene, sulphur, and acetanilide—are primarily petrochemical derivatives, the prices of which are influenced by global crude oil trends and supply–demand dynamics. Further, with exports accounting for around 24% of total revenue in FY25, the BCL remains exposed to foreign exchange risk, despite its practice of fully natural hedging through imports and forward contracts.

Environmental and regulatory risks inherent to the chemical industry

As a player in the chemical manufacturing sector, BCL remains exposed to environmental and regulatory compliance risks. Any tightening of pollution control norms, delays in obtaining statutory approvals, or incidents of non-compliance could have an adverse impact on operations and reputation. However, the BCL's long operational history and adherence to environmental and safety standards mitigate this risk to some extent.

Analytical Approach: Consolidated Approach

For arriving at the rating, Infomerics has taken a consolidated approach on BCL and its wholly owned subsidiaries PT Bodal Chemicals (Indonesia), Bodal Chemicals Trading co Limited (Shiiazhuang), Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret, Bodal Chemicals Trading Private Limited, Bodal Bangla Limited and Senpa Dis Ticaret Anonim Sirketi due to strong operating, strategic linkages among them.

List of companies considered for consolidated analysis:

Name of the company	Percentage holding (%) by BCL	Consolidated Approach
Bodal Chemicals (Indonesia)	100%	Full Consolidation
Bodal Chemicals Trading co Limited (Shiiazhuang)	100%	Full Consolidation



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Name of the company	Percentage holding (%) by BCL	Consolidated Approach
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret	100%	Full Consolidation
Bodal Chemicals Trading Private Limited	100%	Full Consolidation
Bodal Bangla Limited	100%	Full Consolidation
Senpa Dis Ticaret Anonim Sirketi	100%	Full Consolidation

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Consolidation of companies](#)

Liquidity: Adequate

BCL's liquidity position remains adequate, supported by expected cash accruals of around Rs.166 crore for FY2026 and undrawn working capital limits of approximately Rs.274 crore as on September 30, 2025. BCL's consolidated repayment obligations are estimated at Rs.114.24 crore for FY2026, Rs.149.27 crore for FY2027, and Rs.148.74 crore for FY2028, which are expected to be comfortably met through internal cash flows, while maintaining a healthy surplus in cash and liquid investments. BCL has also maintained a Debt Service Reserve Account (DSRA) of Rs.47 crore in the form of fixed deposits as of July 2025, which cover 5 months term loan obligations.

About the company

Incorporated in 1986, based in Ahmedabad, BCL is the integrated manufacturers of dye intermediates (32,400 MTPA), dyestuffs (40,000 MTPA), and basic chemicals (223,600 MTPA). Over the years, the BCL has strengthened its position through both backward and forward integration across key product segments, including Chlor-Alkali, benzene derivatives, and thionyl chloride. BCL has also diversified into water-treatment chemicals, notably Trichloroisocyanuric Acid (TCCA), where it is currently the only domestic manufacturer with an installed capacity of 6,000 MTPA.



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Financials (Consolidated):

(Rs. crore)

For the year ended / As On*	31-03-2024 (Audited)	31-03-2025 (Audited)
Total Operating Income	1399.63	1744.94
EBITDA	99.68	158.87
PAT	6.50	18.50
Total Debt	897.81	905.97
Tangible Net Worth	1061.43	1078.77
EBITDA Margin (%)	7.12	9.10
PAT Margin (%)	0.46	1.05
Overall Gearing Ratio (x)	0.85	0.84
Interest Coverage (x)	1.84	1.95

*Classification as per Infomerics' standards

Financials (Standalone):

(Rs. crore)

For the year ended / As On*	31-03-2024 (Audited)	31-03-2025 (Audited)
Total Operating Income	1386.44	1723.25
EBITDA	107.87	166.09
PAT	7.73	19.58
Total Debt	896.97	905.94
Tangible Net Worth	1120.76	1139.56
EBITDA Margin (%)	7.78	9.64
PAT Margin (%)	0.55	1.13
Overall Gearing Ratio (x)	0.80	0.79
Interest Coverage (x)	2.08	2.07

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
	Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024- 25	Date(s) & Rating(s) assigned in 2023- 24	Date(s) & Rating(s) assigned in 2022- 23
Long Term Fund Based Bank Facilities	Long Term	957.53	IVR A-/ Stable	--	--	--
Short Term Bank Facilities	Short Term	120.00	IVR A2+	--	--	--



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Name of Instrument/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
	Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024- 25	Date(s) & Rating(s) assigned in 2023- 24	Date(s) & Rating(s) assigned in 2022- 23
Proposed - Commercial Paper (CP)	Short Term	50.00	IVR A2+	--	--	--

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.



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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	ISIN	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan & WCTL	--	--	--	Up to December 31 st 2028	467.53	IVR A-/ Stable
Long Term Bank Facilities – Cash Credit	--	--	--	Revolving	400.00	IVR A-/ Stable
Long Term Bank Facilities – WCDL	--	--	--	--	90.00	IVR A-/ Stable
Short Term Bank Facilities – PCFC	--	--	--	--	50.00	IVR A2+
Short Term Bank Facilities – Letter of Credit	--	--	--	--	70.00	IVR A2+
Proposed CP	--	Expected between (7.5% to 9.5%)	--	--	50.00	IVR A2+

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/LEN_Bodal_Chemical_09_Dec25_dc406b8d50.pdf

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: None

Annexure 4: List of companies considered for consolidated analysis:

Name of the company	Consolidated Approach
Bodal Chemicals (Indonesia)	100%
Bodal Chemicals Trading co Limited (Shiiazhuang)	100%
Sen-er Boya Kimya Tekstil Sanayi Ve Ticaret	100%



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Bodal Chemicals Trading Private Limited	100%
Bodal Bangla Limited	100%
Senpa Dis Ticaret Anonim Sirketi	100%

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.