January 7, 2026

To, **BSE Limited**, 25, P. J. Towers, Dalal Street, Mumbai – 400 001 **Ref:** Company Scrip Code: 532834	To, Listing Department, **National Stock Exchange of India Ltd.**, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai- 400051 **Ref:** Symbol: CAMLINFINE || Series: EQ

Sub: Intimation of revision in Credit Rating

Dear Sir/Madam,

Pursuant to Regulation 30(6) read with Schedule III of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we would like to inform you that the credit rating agency, India Ratings & Research Pvt. Ltd. (Fitch Group), has downgraded the bank loan facilities' long-term rating to IND BBB- from 'IND BBB' with a Stable Outlook and the short-term rating to 'IND A3' from 'IND A3+' as follows:

Facility	Amount (in million)	Rating/Outlook
Bank loan facilities	INR 4,699.2 (reduced from INR 5,198.05)	IND BBB-/Stable/IND A3

The rating rationale and the reasons published by India Ratings & Research Pvt. Ltd. are enclosed herewith.

We request you to kindly take the above information on record.

Encl. a/a.
Thanking you,
For Camlin Fine Sciences Limited

RAHUL SAWALE
Digitally signed by RAHUL SAWALE
Date: 2026.01.07 18:25:38 +05'30'

Rahul Sawale
Company Secretary
& VP Legal

India Ratings & Research
A Fitch Group Company

India Ratings Downgrades Camlin Fine Science's Bank Loan Facilities to 'IND BBB-/Stable/'IND A3'

Jan 07, 2026 | Specialty Chemicals

India Ratings and Research (Ind-Ra) has downgraded Camlin Fine Sciences Limited's (CFSL) bank loan facilities' long-term rating to IND BBB- from 'IND BBB' with a Stable Outlook and the short-term rating to 'IND A3' from 'IND A3+' as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (million)	Rating assigned along with Outlook/ Watch	Rating Action
Bank loan facilities	-	-	-	INR4,699.2(reduced from INR5,198.05)	IND BBB-/Stable/IND A3	Downgraded

Analytical Approach

Ind-Ra continues to take a fully consolidated view of CFSL and its subsidiaries to arrive at the ratings because of the strong operating linkages among them.

Detailed Rationale of the Rating Action

The downgrade reflects CFSL's likely weak performance in FY26, due to higher fixed costs and increased working capital requirement in the vanillin business, leading to the weakening in the company's credit profile. CFSL is witnessing pricing headwinds from the recent tariff increases by US government, potentially affecting its profitability in the aroma business. However, the blends business continues to demonstrate profitability in 1HFY26, partially offsetting weakness in the specialty ingredients-straights and performance chemicals segments. Ind-Ra expects a significant improvement in its standalone EBITDA in FY27, led by the vanillin business, helping the company make scheduled debt repayments of INR1,000 million. As of 1HFY26, the company's EBITDA stood at INR525 million. Ind-Ra will closely monitor the developments around its EBITDA scale/working capital consumption/repatriation of cash from subsidiaries on an ongoing basis and its impact on its standalone liquidity and debt service coverage ratio (DSCR).

Despite weakness during 1HFY26, Ind-Ra expects a material improvement in CFSL's profitability over 2HFY26-FY27, backed by higher sales volumes of vanillin and sustained growth in the blends business. The agency notes that the promoters infused INR2,250 million in CFSL during FY25 and the company has garnered additional working capital limits from banks in lieu of tariff impacted sectors, which would provide comfort to its liquidity and repayments in the near term.

List of Key Rating Drivers

Strengths

- Strong presence in niche segments
- Geographical and end-user diversification

Weaknesses

- Decline in profitability in 1HFY26 despite stable revenue
- Stretched credit metrics; likely to remain at elevated levels
- Weak standalone credit profile due to high working capital
- Exposure to forex fluctuations
- Macro-economic conditions

Detailed Description of Key Rating Drivers

Strong Presence in Niche Segments: CFSL mainly operates in three segments such as specialty ingredients (straights and blends) (1HFY26:73%; FY25: 77%, FY24: 81%, performance chemicals (11%,12%, 17%), and aroma chemicals (16%, 7%, 4%). After the commissioning of the diphenol plant at Dahej in FY21, CFSL has become a significant player in the manufacturing of hydroquinone and catechol. Furthermore, CFSL is one of the few global players to have a fully integrated manufacturing capability to produce vanillin using catechol. According to the management, CFSL has a dominant position in the global antioxidant industry, with over 50% market share in tertiary butyl hydroquinone (TBHQ) and butyl hydroxy anisole (BHA). It is also one of the top producers of vanillin.

Geographical and End-user Diversification: CFSL has a significant global presence, with seven manufacturing facilities across Asia, Europe, South America and Central America. The company has strong regional sales teams that cater to the requirements of their respective regions. CFSL derives over 83% of its revenue from exports and overseas subsidiaries, with over 100 products sold in around 80 countries. Its domestic sales contributed only 17% to the consolidated revenue in FY25 (FY24: 17%). The company caters to diverse end user industries such as food, feed, animal and pet nutrition, flavours and fragrances, pharma, agrochemicals, and petrochemicals among others, helping the company avoid dependence on any single industry and provides potential for expansion. Moreover, the vertically integrated operations and the regional sales team enable CFSL to customise product offerings as per the client's requirements, which has helped it develop long-standing relations with its customers.

Decline in Profitability in 1HFY26 despite Stable Revenue: CFSL's consolidated revenue increased 11% yoy to INR8,834 million in 1HFY26 (FY25: INR16,665 million; FY24: INR14,539.1 million), supported by healthy performance in the blends and aroma businesses. However, the consolidated EBITDA declined 42% yoy to INR525 million in 1HFY26 (1HFY25: INR907 million; FY25: INR2,081 million; FY24: INR1,836 million), due to subdued demand scenario in straights and performance chemicals, and lower price realisation in vanillin, following tariffs and elevated employee costs. The improvement in its EBITDA in FY25 was supported by improved product mix and higher sales and despite loss-making operations in China and Italy which were discontinued in FY25.

CFSL's ability to scale up the aroma business and an improvement in the performance of its overseas subsidiaries would lead to an increase in the operating profitability in the near term. A ramp-up in the capacity utilisation from the vanillin facility in Dahej along with the profitability in its blends and aroma chemicals business remains a key rating monitorable. CFSL discontinued the operations in China in February 2021 and Italy in August 2023 as the subsidiaries incurred continued losses due to non-viable operations. The net loss increased to INR2,075 million in FY25 (FY24: INR1,578 million).

Stretched Credit Metrics; likely to Remain at Elevated Levels during FYE26: Ind-Ra expects CFSL's consolidated net leverage (net adjusted leverage/EBITDA) to increase to over 5x FY26 (FY25: 2.6x; FY24: 3.3x;) and coverage (operating EBITDA/interest expense) to reduce to 1.5x (2.1x; 3.04x).

CFS Europe, which was shut down in August 2023, had term debt of USD9 million, for which the management is looking at a negotiated settlement. CFSL India has not extended any corporate guarantee (CG) for this debt. As per confirmations received by Ind-Ra, any potential action taken by the lenders against receivables from CFS Europe will not lead to acceleration of loans repayments at the standalone entity. In the event of voluntary liquidation or insolvency proceedings against CFS Europe, CFSL will file for necessary waivers from its lenders. Ind-Ra does not foresee any challenges in obtaining such waivers in a timely manner and does not expect the lenders of the standalone entity to take any coercive or adverse actions in connection with developments at its European subsidiary.

Weak Standalone Credit Profile due to High Working Capital: CFSL's standalone EBITDA stood at INR229 million in 1HFY26 (1HFY25: INR209 million), due to lower price realisation of vanillin, competition in the straights business. Ind-Ra expects CFSL's standalone net leverage (including outstanding loan of INR574 million) for which CG extended to its Mexican subsidiaries of INR957 million) to increase to around 10x in FY26 (FY25: 6x), due to a likely decline in its EBITDA. Excluding the loan against which CG has been extended, the standalone net leverage will be around 9x in FY26 (FY25: 5.5x). Ind-Ra expects CFSL's standalone net leverage to remain at elevated levels over the medium term. Simultaneously, its interest coverage deteriorated to 0.8x in 1HFY26 (FY25: 1.1x), due to lower profitability and high borrowing cost on account of the rise in working capital and the impact of mark-to-market valuation of foreign currency borrowings.

The high working capital was funded through proceeds of INR2,250 million from rights issues in February 2025 coupled with elevated trade payables (1HFY26: INR2,780 million; FY25: INR2,679 million; FY24: INR2,842million). The company utilises purchase bill discounting and factoring limits of INR250 million to fund its working capital that have been fully utilised. As on 30 September 2025, the gross total outstanding debt (excluding CG) stood at INR4,197 million at the standalone level, of which around 52% is working capital debt, indicating working capital-intensive nature of operations.

As per the management, the company is taking efforts to reduce the working capital intensity with a gradual improvement in the cashflow from Brazilian subsidiary. According to the management, during 9MFY26, CFSL received about INR172.3 million from its Brazilian subsidiary and expects to receive inflows of INR70 million in 4QFY26 and INR450 million in FY27. Ind-Ra continues to monitor the receipt of pending receivables from its subsidiaries and CFSL’s standalone liquidity profile.

Exposure to Forex Fluctuations: CFSL is exposed to forex risks because exports contribute around 83%to the company’s revenue. Even though there is no natural hedge on the profit and loss account as the company consumes local raw material, the company has a natural hedge on the balance sheet due to the foreign currency loans vis-a- vis foreign account receivables. CFSL has a documented, board approved forex policy that ensures adequate hedging to protect the profitability of the company.

Macro-Economic Conditions: CFSL shut down its Italian plant as the key products manufactured by the unit became unviable owing to competition from Chinese suppliers and weak macro-economic conditions. As per the management, the Italy plant has been mothballed in a bid to reduce the fixed costs. Furthermore, the company is contemplating liquidation of the company in due course.

Liquidity

Stretched: CFSL’s consolidated cash flow from operations reduced to INR267 million in FY25 (FY24: INR1,390 million) due to stretched working capital cycle. The free cash flows turned negative at INR157 million in FY25 (FY24: INR784 million), mainly due to outflow of high interest expenses and maintenance capex of INR424 million. Ind-Ra expects CFSL’s free cash flows to remain negative in FY26, on account of high interest costs due to large quantum of term debt. The company had cash and bank balances of INR1,047 million as on 30 September 2025 (FYE25: INR1,365 million, FY24: INR803 million). The company has consolidated debt repayments of INR690 million for FY26 and INR880 million for FY27, which would be met through improved profitability. Ind Ra has excluded repayment of loan of CFS Europe which is currently under the negotiated settlement.

At the standalone level, the cash and bank balance stood at INR293 million as on 30 September 2025 (FY25: INR685 million, FYE24: INR6.7 million). During the 12 months ended October 2025, CFSL's average monthly utilisation of the fund-based limits was around 83% while that of the non-fund-based limits was around 38%. The standalone repayments stood at INR472 million in FY26, INR641 million in FY27, which would be funded through money allocated from the rights issue, additional working capital lines under credit guarantee scheme for exporters (CGSE), higher EBITDA generation from the standalone business and realisation of overdue receivables from its subsidiaries.

The management intends to maintain unutilised limits of over INR200 million at the standalone level over the medium term to further support CFSL’s liquidity. CFSL’s net working capital cycle remained stretched, primarily due to the elongated receivables. A significant portion of the company’s debtors comprised related party balances and amounts due from its international subsidiaries, which tend to have longer realisation timelines. As a result, its receivable days increased to 179 days as on 30 September 2025 (FY25: 171 days). To partly offset the slow conversion of receivables, the company has been relying on extended supplier credit; as a result, its creditor days widened to 115 days as on 30 September 2025 (FY25: 110 days). However, the company's overall working capital cycle stood at 167 days as on 30 September 2025 (FY25: 169 days).

Rating Sensitivities

Positive: Following events could individually or collectively lead to a positive rating action:

- a successful ramp-up in volumes of vanillin
- an improvement in the standalone profitability and standalone net working capital cycle
- meaningful repatriation of funds from international subsidiaries
- an improvement in the standalone interest coverage to above 3x
- consolidated net adjusted leverage reducing below 3x, all on a sustained basis

Negative: Following events could individually or collectively lead to a negative rating action:

- weaker-than-expected operating performance
- any deterioration in liquidity due to further stretch in standalone net working capital cycle
- standalone interest coverage remaining below 2x

Any Other Information

Not applicable

About the Company

CFSL is one of the leading manufacturers of antioxidants and vanillin manufacturers in the world. The company categorises its business into three different verticals based on its product portfolio: specialty ingredients (which include antioxidants, its blends and additives), performance chemicals and aroma chemicals.

Key Financial Indicators

Particulars (Consolidated)	**1HFY26**	**FY25**	**FY24**
Revenue (INR million) *	8,834	16,665	14,539
EBITDAR (INR million) *	525	2,081	1,836
EBITDAR margin (%)	6	12	11
Gross interest coverage (x)	1.5	2.1	1.2
Net leverage (x)	-	2.6	3.3
Source: CFSL; Ind-Ra			

*From continuing operations

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	**Rating Type**	**Rated Limits (million)**	**Current Ratings/Outlook**	**Historical Rating/Outlook**			
				10 October 2024	**27 September 2023**	**22 September 2023**	**5 Aug 2022**
Issuer rating	Long-term	-	-	-	-	WD	IND A-/Sta

Bank loan facilities	Long-term/Short-term	INR4,699.2	IND BBB-/Stable/IND A3	IND BBB/Negative/IND A3+	IND A-/Stable/IND A2+	-	IND A-/Sta / INI A2+

Bank wise Facilities Details

The details are as reported by the issuer as on (07 Jan 2026)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	IndusInd Bank Limited	Term Loan	59.16	WD
2	State Bank of India	Term Loan	94	IND BBB-/Stable
3	Punjab National Bank - Corporate Banking	Term Loan	26.42	IND BBB-/Stable
4	Bank of India	Term Loan	85.6	IND BBB-/Stable
5	Vivriti Capital Limited	Working capital term loan	450	IND BBB-/Stable / IND A3
6	State Bank of India	Fund Based Working Capital Limit	890	IND BBB-/Stable / IND A3
7	Punjab National Bank - Corporate Banking	Fund Based Working Capital Limit	300	IND BBB-/Stable / IND A3
8	Bank of India	Fund Based Working Capital Limit	560	IND BBB-/Stable / IND A3
9	IndusInd Bank Limited	Non-Fund Based Working Capital Limit	240	WD
10	State Bank of India	Non-Fund Based Working Capital Limit	728	IND A3
11	Punjab National Bank - Corporate Banking	Non-Fund Based Working Capital Limit	440	IND A3
12	Bank of India	Non-Fund Based Working Capital Limit	210	IND A3
13	EXIM Bank	Term Loan	915.2	IND BBB-/Stable

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
Kratika Nayak
Analyst
India Ratings and Research Pvt Ltd
Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East,Mumbai - 400051
+91 22 40001764
For queries, please contact: infogrp@indiaratings.co.in

Secondary Analyst
Nishith Sanghvi
Director
+91 22 40001712

Media Relation
Ameya Bodkhe
Marketing Manager
+91 22 40356121

About India Ratings

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

Evaluating Corporate Governance

Corporate Rating Methodology

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process

DISCLAIMER