January 23, 2026

Siddharth Colorchem Private Limited: Ratings Upgraded to [ICRA]A+(Stable)/ [ICRA]A1+; outlook revised to Stable

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/ Short term - Fund based / Non-fund based	94.50	94.50	[ICRA]A+(Stable)/ [ICRA]A1+; Upgraded from [ICRA]A/[ICRA]A1; Outlook revised to Stable from Positive
Long term / Short term Unallocated limits	14.0	14.0	[ICRA]A+(Stable)/ [ICRA]A1+; Upgraded from [ICRA]A/[ICRA]A1; Outlook revised to Stable from Positive
Total	**108.50**	**108.50**	

**Instrument details are provided in Annexure I*

Rationale

While arriving at the ratings, ICRA has taken a consolidated view of the operational and financial profiles of Ravi Dyeware Company Private Limited (RDCPL) and Siddharth Colorchem Private Limited (SCPL), given their common promoters and the significant operational and financial synergies between them. The consolidated entities include RDCPL, SCPL, and its subsidiaries, Indus Ventures Limited and Waterside Colors Limited (WCL).

The rating upgrade factors in the Group's healthy earnings in FY2025 and H1 FY2026 and the likely sustenance of same, going forward. The company's sustained operating profitability is supported by healthy growth in volumes and increasing diversification across products and geographies. This, coupled with prudent financial management, results in a strong financial risk profile, evident from the comfortable debt coverage indicators and robust liquidity, marked by sizeable cash balances and investments. The ratings continue to derive comfort from the extensive experience of the Group's promoters, its long track record in dye manufacturing and its established customer base, leading to repeat business.

The ratings, however, continue to be constrained by the working capital intensive operations, intense competition in the global markets from large and reputed players, and the vulnerability of its profitability to the fluctuations in raw material prices and foreign exchange rates to the extent of the Group's unhedged foreign exposure.

The Stable outlook on the rating reflects ICRA's expectation that the company is likely to sustain its operating metrics. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, which will help expand the product portfolio and result in cost savings, will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters and established track record; operational synergies from Group concerns – The Singhania Group, through its flagship entities, RDCPL and SCPL, has been manufacturing and trading dyes and dyestuffs for the last seven decades. It has developed an established track record in the chemical dye business through the vast experience of its promoters. The Group's operations are split across RDCPL and SCPL, along with its wholly-owned step-down subsidiary, WCL, in the UK, which is involved in the same business, resulting in significant operational synergies at the Group level**.**

Reputed customer base providing repeat orders – The Group has a reputed customer base, which includes large multinational corporations in Europe and Asia. Its customer base is well diversified, and the Group is able to garner repeat orders from its key customers YoY due to healthy relationships with them.

Group's healthy profitability and cash accruals, comfortable capital structure and strong debt coverage indicators – Healthy earnings in FY2025 supported the financial risk profile, reflected in the improved debt coverage metrics and healthy cash and bank balances and investments. Further, the earnings remained healthy in H1 FY2026. Going forward, the healthy earnings and growth in operating income is likely to be driven by the Group's increasing geographical reach and additional product launches. The capital structure remained comfortable, given its low dependence on borrowings.

Credit challenges

Profitability exposed to fluctuations in raw material prices and foreign exchange rates – The key raw materials for the company are crude oil derivatives, such as benzene, toluene, xylene and naphthalene products. SCPL's operations and profitability are vulnerable to any adverse fluctuation in raw material prices, mainly crude oil. Apart from the natural hedge from exports and import purchases, the Group hedges its net exposure by way of forward cover, exposing the profitability to currency fluctuations for its unhedged exposure. Further, the manufacturing operations are exposed to Government regulations related to pollution norms. The company remains vulnerable to increased regulatory scrutiny on pollution, which remains a sensitivity factor.

Competition in the market – There are numerous players globally operating in the business. This leads to stiff competition in the market and exerts pricing pressure on the Group. However, the entry barriers in the industry, in terms of quality, chemical usage, pollution control and approval, coupled with its preferred supplier status with the end-user industries, provide it with a competitive advantage.

Liquidity position: Strong

At the consolidated level, the Group does not have any long-term debt on its books as on March 31, 2025, and hence, there are no scheduled repayments. Further, it does not have any major debt-funded capacity expansion plans in the near to medium term. Its liquidity position remained strong, supported by healthy free cash and bank balance and strong investments as on September 30, 2025. The working capital utilisation remained moderate with average utilisation of ~70% between Nov 2024 and Dec 2025.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if there is a significant increase in scale and earnings along with comfortable debt coverage indicators and liquidity position.

Negative factors – Pressure on the ratings could arise if there is a sustained decline in scale and weakening of earnings, resulting in a deterioration of the debt coverage indicators. A stretch in the working capital cycle, or a major debt-funded capex/acquisition impacting its liquidity position may also trigger a downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Chemicals
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the consolidated financials of RDCPL and SCPL, along with its wholly-owned subsidiary, Indus Ventures Limited, and step-down subsidiary, WCL

About the company

SCPL, incorporated in 1987, manufactures acid dyes, disperse dyes, solvent dyes and speciality dyes, mainly for the leather and paper industries. The company's manufacturing facility is at MIDC in Mahad, Maharashtra, with an installed production capacity of 9,600 metric tonnes per annum. It exports ~ 80% of its total production to companies in Europe, North America, Latin America and Asia

Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income	500.4	506.7
PAT	-	-
OPBDITA/OI	-	-
PAT/OI	-	-
Total outside liabilities/Tangible net worth (times)	0.3	0.3
Total debt/OPBDITA (times)	0.8	0.8
Interest coverage (times)	16.0	17.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: As per CRISIL's press release dated December 08, 2025, based on the best available or limited or dated information, the ratings on the bank facilities of SCPL continue to be CRISIL B+/Stable/ CRISIL A4 Issuer not cooperating.

Any other information: None

Rating history for past three years

	Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
					FY2025		FY2024		FY2023	
		Type	Amount rated (Rs. crore)	Jan 23, 2026	Date	Rating	Date	Rating	Date	Rating
1	**Fund based/Non-fund based**	Long term/ Short term	94.50	[ICRA]A+(Stable)/ [ICRA]A1+	Jan 23, 2025	[ICRA]A (Positive)/ [ICRA]A1	Oct 30, 2023	[ICRA]A (Stable)/ [ICRA]A1	Jul 29, 2022	[ICRA]A (Stable)/ [ICRA]A1
2	**Unallocated limits**	Long term/ Short term	14.00	[ICRA]A+(Stable)/ [ICRA]A1+	Jan 23, 2025	[ICRA]A (Positive)/ [ICRA]A1	Oct 30, 2023	[ICRA]A (Stable)/ [ICRA]A1	Jul 29, 2022	-
3	**Fund-based cash credit**	Long term	-	-	-	-	Oct 30, 2023	-	Jul 29, 2022	[ICRA]A (Stable)
4	**Fund-based**	Short term	-	-	-	-	Oct 30, 2023	-	Jul 29, 2022	[ICRA]A1
5	**Non-fund based**	Short term	-	-	-	-	Oct 30, 2023	-	Jul 29, 2022	[ICRA]A1

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/Short term – Fund-based/Non-fund based	Simple
Long term/Short term unallocated limits	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Long term/Short term – Fund-based/Non-fund based**	NA	NA	NA	94.50	[ICRA]A+(Stable)/ [ICRA]A1+
NA	**Long term/Short term unallocated limits**	NA	NA	NA	14.00	[ICRA]A+(Stable)/ [ICRA]A1+

Source: Company

Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Siddharth Colorchem Private Limited	100.00% (rated entity)	Full consolidation
Ravi Dyeware Company Private Limited	-	Full consolidation
Indus Ventures Limited*	100%	Full consolidation
Waterside Colors Limited^	100%	Full consolidation

** wholly-owned subsidiary and ^step-down subsidiary of SCPL.*

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