

March 03, 2026

Ganga Rasayanie Private Limited; Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Interchangeable limits	(123.41)	(126.03)	[ICRA]BBB+(Stable) /[ICRA]A2; Reaffirmed
Long-term - Fund-based - Term loan	6.59	3.97	[ICRA]BBB+(Stable); Reaffirmed
Long-term - Fund-based/Non-fund based - Others	123.41	126.03	[ICRA]BBB+(Stable); Reaffirmed
Total	130.00	130.00	

*Instrument details are provided in Annexure-I

Rationale

The reaffirmation of the ratings continues to factor in the extensive experience of Ganga Rasayanie Private Limited (GRPL/the company) in the solvent industry and its established relationship with diversified customers across industries. The ratings factor in a favourable financial risk profile with healthy operating income (OI), supported by robust sales volumes, a conservative capital structure and comfortable debt coverage metrics.

Further, the Dahej plant is expected to begin commercial operations by the end of FY2026, which is likely to support revenue growth, going forward. ICRA notes the delay in achieving the commercial operation of the Dahej plant from the earlier expected timeline. However, the relatively low dependence on external debt for the capex and no major project cost overruns is expected to keep the capital structure and coverage indicators comfortable. Nonetheless, any major upward revision in the project cost remains a sensitivity factor. The company's financial profile continues to be healthy with the gearing and total debt/OPBDITA improving to 0.12 times and 0.8 times, respectively, in FY2025, from 0.25 times and 1.2 times, respectively, in FY2024.

The ratings are, however, constrained by the risks associated with the stabilisation of the expansion project at Dahej. Further, ICRA notes that GRPL's profitability remains exposed to the fluctuations in the prices of key raw materials, which are crude oil derivatives. The demand-supply dynamics, forex risks and stiff competition from other large oil refineries and imports are the other constraining factors.

The Stable outlook on the long-term rating reflects ICRA's expectation that GRPL 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 capacity, 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

Experienced management and established position in aromatic and aliphatic solvent industry - The promoters of the company have more than three decades of experience in the aromatic and aliphatic solvent industry. Further, the company, incorporated in 1977, has an established relationship with key intermediaries and end customers, which reduces the offtake risk to some extent.

Large and diversified customer profile - GRPL's revenue is derived from a diversified customer base across various industry segments such as paints and coatings, the oil feed chemical industry and petrochemicals, mitigating the sector-specific risks to some extent. Further, GRPL's top five customers accounted for ~31% of the total revenue in FY2025, the lower level of

customer concentration.

Comfortable financial risk profile - GRPL's financial risk profile remained favourable, with a conservative capital structure (gearing of 0.12 times as on March 31, 2025) and comfortable debt coverage indicators, reflected in TD/OPBDITA of 0.8 times and interest coverage of 7.0 times in FY2025. The capital structure and coverage metrics are expected to remain healthy in the medium term despite a likely moderation in the near term due to a dip in the operating profitability. Further, the company is undergoing capex for capacity expansion, which will support future revenue growth. ICRA notes that the impact of the capex on the capital structure and coverage indicators will be minimal as majority of the capex is funded through internal accruals.

Credit challenges

Risks associated with timely completion and stabilisation of expansion project - GRPL has undertaken an expansion project at Dahej, Gujarat, to install a solvent processing plant with an annual installed capacity of 2,16,000 MTPA and a storage capacity of 20,000 MT. ICRA notes the delay in achieving the commercial operation of the plant from the earlier expected timeline. Phase I of the project is scheduled to be commissioned by the end FY2026, whereas phase II is scheduled to be commissioned in FY2027. However, the relatively low dependence on external debt for the capex and no major project cost overrun is expected to keep the capital structure and coverage indicators comfortable. Nonetheless, any major upward revision in project costs and stabilisation of the expansion project remain the sensitivity factors.

Exposure to raw material price fluctuation and forex risk - The company's profitability metrics remain exposed to the fluctuation in the prices of the raw material and the associated lag in passing on the same to the customers. The operating profit per kg improved sharply in FY2023 and FY2024 due to supply constraints. However, since then, it has normalised to the historical levels of Rs. 3.5-4.0 per kg. For FY2025, the operating profit per kg was Rs. 3.91. Going ahead, it is likely to remain at similar levels in the near term due to various demand challenges.

GRPL also remains exposed to foreign currency fluctuation risks as 40-50% of the company's raw materials are imported; however, a simultaneous export of around 40% of the total sales mitigates the risk to some extent. Further, the company manages its forex risk through internal risk mitigation policies.

Intense competition from large oil refineries and imports – The petrochemical sector faces intense competition from large refineries in India and from imports. 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 GRPL with a competitive advantage.

Liquidity position: Adequate

GRPL's liquidity is expected to remain adequate, even after considering the capex outflow for the ongoing project to set up the Dahej plant and the modest debt repayment obligation. The capex outflow expected for FY2027 is Rs. 10-15 crore, while the repayment for FY2027 is ~Rs. 2 crore which is expected to be met from the cash flow from operations and existing cash and liquid investments. The average working capital utilisation for the 11 months ended September 2025 is ~49% of the total limits. The total sanctioned working capital limits are Rs. 160 crore as on September 30, 2025. Further, the company has cash and liquid investment of ~Rs. 6.6 crore as on March 31, 2025.

Rating sensitivities

Positive factors – ICRA may upgrade GRPL's ratings if the company is able to scale up its operations, while improving the profitability and coverage indicators.

Negative factors – Pressure on GRPL’s ratings could arise if a significant decline in revenue and profitability deteriorates the capital structure and the overall liquidity profile of the company. Further, any major cost overrun in commissioning the Dahej project and the additional dependence on debt impacting the company’s overall liquidity profile could be a negative trigger.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Chemicals Corporate Credit Rating Methodology
Parent/group Support	Not Applicable
Consolidation/standalone	Standalone

About the company

Ganga Rasayanie Private Limited (GRPL), incorporated in 1977, is involved in the business of downstream refining of heavy para-xylene products to produce aromatic compounds used in paints, coatings, printing inks, varnish, adhesives, oil-feed chemicals and agrochemicals, including insecticides and pesticides. These products are produced through refining, fractional distillation, purification & blending of heavy aromatic oils. Other than aromatic solvents, the company is also involved in the manufacturing of aliphatic solvents. However, the proportion of the same in the total products sold by the company remains low.

At present, the company has two manufacturing facilities, one each in Ankleshwar (Gujarat) and Panamgadu (Andhra Pradesh) with an installed capacity of 70,000 MTPA and 10,000 MTPA, respectively. The company is also undertaking an expansion project to set up a new facility in Dahej, Gujarat, with an installed processing capacity of 2,16,000 MTPA and an installed storage capacity of 20,000 MTPA. The first phase of the project with 1,00,000 MTPA capacity is in trial stage and is expected to be commissioned in March 2026. The second phase with 1,16,000 MTPA capacity is expected to be commissioned in FY2027.

Key financial indicators (audited)

Ganga Rasayanie Private Limited (Standalone)	FY2024	FY2025
Operating income	548.6	573.1
PAT	23.1	18.4
OPBDITA/OI	6.2%	4.9%
PAT/OI	4.2%	3.2%
Total outside liabilities/tangible net worth (times)	1.1	0.6
Total debt/OPBDITA (times)	1.2	0.8
Interest coverage (times)	11.4	7.0

Source: Company, ICRA Research; All ratios are 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: Not applicable

Any other information: Not applicable

Rating history for past three years

Instrument	Current rating(FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	March 03, 2026	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Fund-based - Term loan	Long-term	3.97	[ICRA]BBB+(Stable)	December 26, 2024	[ICRA]BBB+ (Stable)	September 05, 2023	[ICRA]BBB+ (Stable)	July 29, 2022	[ICRA]BBB (Positive)
Interchangeable limits	Long-term/Short-term	(126.03)	[ICRA]BBB+(Stable)/[ICRA]A2	December 26, 2024	[ICRA]BBB+ (Stable)/[ICRA]A2	September 05, 2023	[ICRA]BBB+ (Stable)/[ICRA]A2	July 29, 2022	[ICRA]BBB (Positive)/[ICRA]A3+
Fund-based/Non-fund based - Others	Long-term	126.03	[ICRA]BBB+(Stable)	December 26, 2024	[ICRA]BBB+ (Stable)	September 05, 2023	[ICRA]BBB+ (Stable)	July 29, 2022	[ICRA]BBB (Positive)

Complexity level of the rated instruments

Instrument	Complexity indicator
Interchangeable limits	Simple
Long-term - Fund-based - Term loan	Simple
Long-term - Fund-based/Non-fund based - Others	Simple

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	Term loan	FY2021	NA	FY2027	3.97	[ICRA]BBB+(Stable)
NA	Fund-based/Non-fund based facilities	NA	NA	NA	126.03	[ICRA]BBB+(Stable)
NA	Interchangeable	NA	NA	NA	(126.03)	[ICRA]BBB+(Stable)/[ICRA]A2

Source: Company

Annexure II: List of entities considered for consolidated analysis

Not applicable

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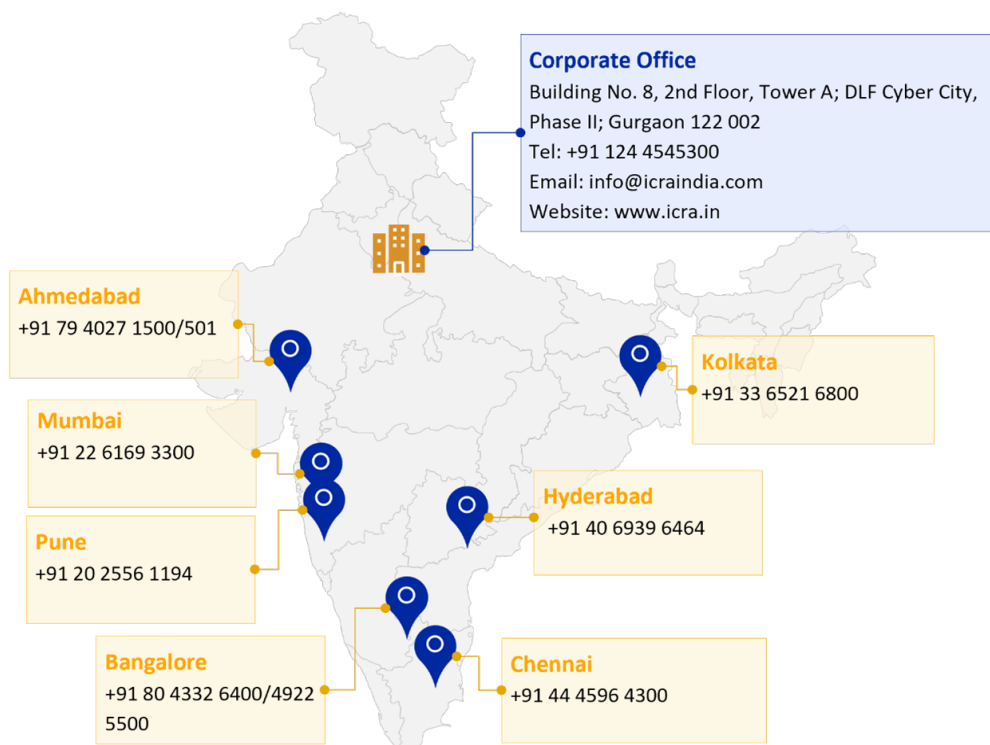


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