

April 16, 2026

STP Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term fund-based/CC	25.00	25.00	[ICRA]AA+ (CE) (Stable); reaffirmed
Long term fund-based/CC	35.00	35.00	[ICRA] AA- (Stable); reaffirmed
Long term fund-based/CC	15.00	15.00	[ICRA]AA- (Stable); reaffirmed
Short term non-fund based	15.00	15.00	[ICRA]A1+ (CE); reaffirmed
Total	90.00	90.00	

*Instrument details are provided in Annexure II

Rating Without Explicit Credit Enhancement

[ICRA]AA-/ [ICRA]A1+

Note: The (CE) suffix mentioned alongside the rating symbol indicates that the rated instrument/facility is backed by some form of explicit credit enhancement. This rating is specific to the rated instrument/facility, its terms and its structure and does not represent ICRA's opinion on the general credit quality of the entity concerned. The last row in the table above also captures ICRA's opinion on the rating without factoring in the explicit credit enhancement.

Rationale

For the [ICRA]AA+(CE)/A1+(CE) (Stable) ratings

The above ratings are based on the strength of the corporate guarantee provided by Berger Paints India Limited (Berger), the parent company of STP, for the rated bank facilities. The Stable outlook on this rating reflects ICRA's outlook on the credit profile of the guarantor, Berger Paints India Limited.

The ratings reflect Berger's established position in the domestic paints market with a strong brand presence, an extensive distribution network and a diversified product profile. The ratings also factor in a healthy growth in Berger's operating income and profit generation and its relatively low net debt levels, translating into a comfortable financial risk profile. These strengths are partially countered by the competitive nature of the industry, aggravated by the entry of a large player in the segment, and the vulnerability of the profitability to the volatility in raw material costs.

Adequacy of credit enhancement

For assigning the ratings, ICRA has assessed the attributes of the guarantee issued by Berger in favour of the rated instruments of STP. The guarantee is legally enforceable, irrevocable, unconditional, covers the entire amount and tenor of the rated instrument and has a well-defined payment and invocation mechanism, although the same is post default in nature. Given these attributes, the guarantee provided by Berger Paints is adequately strong to result in an enhancement in the rating of the said instrument to [ICRA]AA+(CE)/[ICRA]A1+(CE) against the ratings of [ICRA]AA- without explicit credit enhancement. In case the guarantor's credit profile or the unsupported rating of STP undergoes a change in future, the same would reflect on the ratings of the aforesaid instruments. The ratings of these facilities may also undergo a change if, in ICRA's assessment, there is a change in the strength of the business links between the guarantor and the rated entity, or there is a change in the reputation sensitivity or a change in the strategic importance of the rated entity of the guarantor.

For the [ICRA]AA- (Stable)/[ICRA]A1+ rating

The rating is based on the strategic importance of STP for Berger for improving the latter's product offerings in the industrial products segment and the continued improvement in the credit profile of STP, which is likely to continue, going forward as well, with the synergies materialising between STP's product profile and Berger's marketing network.

The rating continues to factor in the strong parentage of Berger India Paints Limited, the long and established track record of STP in the construction chemical business and a comfortable capital structure characterised by low gearing of 0.5x by the end of FY2025, which is likely to improve, going forward. The healthy domestic demand prospects have translated into expectations of strong revenue growth, going forward. This, coupled with the comfortable profitability and steady debt levels, is likely to materialise into satisfactory credit metrics, going forward. The rating is, however, constrained by the sub-optimal capacity utilization, exposure to raw material price volatility and the highly competitive intensity of the construction chemical industry. ICRA also notes that the company underwent the temporary shutdown of the Jamshedpur facility for six months following a tank rupture incident. While there were no injuries, the incident impacted company's operations and resulted in revenue loss of around Rs. 50 crore for the period of June 2025 – December 2025, going forward ramp up in this facility will be key monitorable.

Salient covenants of the rated facility

- The facility shall not be utilised for subscription of shares/debentures, extending loans to subsidiary companies/associates or for making inter-corporate deposits and/or any speculative purposes
- External rating of Berger to not to fall below AA+ throughout the tenor of the rated facility

Key rating drivers and their description

Credit strengths

Parent support by Berger Paints India Limited - Berger considers STP Limited as its extended arm and is fully committed towards supporting it. Further, STP is expected to benefit as a part of the Berger Group, given the operational synergies in product development and product placement in the market. ICRA also draws comfort from the senior management of Berger Paints having board representation in STP, which provides the latter with strategic direction and support.

Long track record of operations – STP, incorporated in 1935, has a long track record of operations and an established sales and distribution network across India for construction chemicals and water-proofing products. The company has six manufacturing facilities at Ambattur (Tamil Nadu), Sipaigachi (West Bengal), Kosi (Uttar Pradesh), Jamshedpur (Jharkhand), Panoli (Gujarat) and Goa.

Comfortable capital structure - STP Limited's capital structure remains comfortable with a gearing of 0.5x at the end of FY2025. The credit profile is expected to improve, going forward, with stable cash accruals and limited capex plans.

Credit challenges

Plant capacity utilisation at sub-optimal levels - The under-absorption of fixed overheads due to sub-optimal plant capacity utilisation in the past has kept the return indicators low.

Exposure to raw material price volatility - The company's ability to procure raw materials at competitive prices and pass on any adverse fluctuation in input costs to its customers is a key determinant of profitability and, hence, is a risk. Further, the company remains exposed to foreign exchange rate fluctuation risk as most chemicals are imported.

Intense competition and exposure to cyclicity in real estate and infrastructure sectors - The construction chemical industry, wherein STP operates, is characterised by intense competition from unorganised and organised players and multinational manufacturers. Moreover, the demand for construction chemicals depends primarily on development activities in the real estate, construction and infrastructure sectors, which are cyclical in nature.

Liquidity position

For Guarantor – Strong

The liquidity position of the guarantor, Berger Paints India Limited, is strong, reflected in cash and cash equivalents of around Rs. 840 crore as on March 31, 2025, and healthy cash accruals which will enable the entity to meet its capex requirements and debt servicing commitments comfortably.

For STP – Adequate

The company has an adequate liquidity position, supported by cash and bank balances of Rs. 6.6f crore as on March 31, 2025. The company's working capital limits include a cushion of around Rs. 25 crore, which adds comfort to its overall liquidity. Moreover, the company enjoys financial flexibility from being part of Berger. Going forward, as well, the liquidity position is expected to remain adequate with comfortable cash accruals and modest working capital utilization.

Rating sensitivities

Positive factors - ICRA could upgrade STP's ratings if there is a healthy growth in its revenues and profitability, along with an improvement in the liquidity and debt coverage metrics.

Negative factors - A negative rating action could be triggered if there is a material deterioration in STP's operating income and profitability, resulting in a decline in the cash flow generation. Further, any material deterioration in the parent's credit profile or weakening in linkages can cause a rating revision.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology Chemicals
Parent/Group Support	Parent: Berger Paints India Limited
Consolidation/Standalone	For arriving at the ratings, ICRA has factored in the standalone financials of STP Limited

About the company

STP, incorporated in 1935, is a Berger Group company, engaged in the manufacture and supply of waterproofing products, corrosion protection products and construction chemicals. The company was initially promoted by Bennett Coleman & Co. Limited; later the shareholding of the company changed, and it became a subsidiary of Turner Morrison Limited which is owned by Mr. Amit Judge. In November 2019, Berger Paints India Limited acquired a 95.53% stake in the company. The company has its manufacturing facilities at Ambattur (Tamil Nadu), Sipaigachi (West Bengal), Kosi (Uttar Pradesh), Jamshedpur (Jharkhand), Panoli (Gujarat) and Goa.

The company's product line includes waterproofing and insulation, road surfacing, pipeline coating, protective/anti-corrosive coating, grouts & admixtures, sealants & adhesives, repair and rehabilitation, epoxy and other construction chemicals.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	362.7	394.6
PAT	27.4	21.6
OPBDIT/OI	11.8%	9.8%
PAT/OI	7.6%	5.5%
Total outside liabilities/Tangible net worth (times)	1.0	0.9
Total debt/OPBDIT (times)	1.4	1.6
Interest coverage (times)	10.3	7.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable
Any other information: None
Rating history for past three years

Instrument	Current (FY2027)			Chronology of rating history for the past 3 years					
	Type	FY2027		FY2026		FY2025		FY2024	
		Amount rated (Rs. crore)	April 07, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based/CC	Long term	35.00	[ICRA] AA- (Stable)	-	-	Oct 30, 2024	[ICRA]AA+ (CE) (Stable)	Jul 03, 2023	[ICRA]A+ (Stable) withdrawn and simultaneously [ICRA]AA+ (CE) (Stable) assigned
				-	-	Mar 24, 2025	[ICRA]AA+ (CE) (Stable) withdrawn and simultaneously [ICRA]AA- (Stable) assigned		
Fund-based/CC	Long term	25.00	[ICRA]AA+ (CE) (Stable)	-	-	Oct 30, 2024	[ICRA]AA+ (CE) (Stable)	Jul 03, 2023	[ICRA]A+ (Stable) withdrawn and simultaneously [ICRA]AA+ (CE) (Stable) assigned
				-	-	Mar 24, 2025	[ICRA]AA+ (CE) (Stable)		
Fund-based/CC	Long term	15.00	[ICRA]AA- (Stable)	-	-	Mar 24, 2025	[ICRA]AA- (Stable)	-	-
Fund based/Working capital demand loan*	Short term	-	-	-	-	Oct 30, 2024	[ICRA]A1+ (CE)	Jul 03, 2023	[ICRA]A1 withdrawn and simultaneously [ICRA]A1+ (CE) assigned
Fund based/Short-term loan*	Short term	-	-	-	-	Oct 30, 2024	[ICRA]A1+ (CE)	Jul 03, 2023	[ICRA]A1 withdrawn and simultaneously [ICRA]A1+ (CE) assigned
Non-fund based	Short term	15.00	[ICRA]A1+ (CE)	-	-	Oct 30, 2024	[ICRA]A1+ (CE)	Jul 03, 2023	[ICRA]A1 withdrawn and

									simultaneously [ICRA]A1+ (CE) assigned
				-	-	Mar 24, 2025	[ICRA]A1+ (CE)	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

- (@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.
- (#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instrument

Instrument	Complexity Indicator
Long term fund-based/CC	Simple
Short term non-fund based	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, is available on ICRA's website: [Click Here](#)

Annexure II: Instrument details

ISIN No.	Instrument name	Date of issuance/Sanction	Coupon rate	Maturity date	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term fund-based/CC	-	-	-	25.00	[ICRA]AA+(CE) (Stable)
NA	Long term fund-based/CC	-	-	-	35.00	[ICRA]AA- (Stable)
NA	Long term fund-based/CC	-	-	-	15.00	[ICRA]AA- (Stable)
NA	Short term non-fund based	-	-	-	15.00	[ICRA]A1+(CE)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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Branches



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