

May 06, 2026

R Nandlal Sons Private Limited: Rating upgraded to [ICRA]BBB(Stable)/ [ICRA]A3+

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term/Short term – Others – Fund-based/Non-fund based	130.00	130.00	[ICRA]BBB(Stable)/[ICRA]A3+; upgraded from [ICRA]BBB-(Stable)/ [ICRA]A3
Total	130.00	130.00	

*Instrument details are provided in Annexure II

Rationale

To arrive at the ratings, ICRA has taken a consolidated view of R R Innovative Private Limited (RRIPL) as well as its wholly owned subsidiaries and Group entity, R Nandlal and Sons Private Limited (henceforth referred to as the RR Group), due to the management, operational and financial linkages among these entities.

The upgrade of ratings reflects the improvement in the RR Group's consolidated financial risk profile in FY2026, marked by a recovery in operating profitability and strengthening of coverage metrics, despite a moderation in revenues. The ratings continue to factor in RR Group's established presence in the trading and distribution of chemicals, with pan-India operations, a diversified product portfolio and a wide and well-spread customer base, supported by long-standing relationships with key domestic suppliers such as Gujarat Alkalies and Chemicals Limited (GACL), Gujarat Narmada Valley Fertilizers & Chemicals Limited (GNFC), Grasim and Deepak group entities. Back-to-back trading arrangements for a portion of the operations provide partial insulation from inventory risk, although margins in this segment remain relatively low. Further, ICRA also factors in the group's gradual diversification into chemical manufacturing through its subsidiary, Alkimia, which, while currently contributing a modest share to consolidated revenues and profitability, is expected to support margin improvement over the medium term as operations ramp up.

The ratings, however, continue to be constrained by the intensely competitive and low value-added nature of the chemical trading business, which caps profitability in normalised conditions. Other constraints include the group's working capital-intensive operations, reflected in elevated receivable levels, and the susceptibility of margins to volatility in chemical prices, raw material costs and foreign exchange movements. While profitability witnessed a sharp increase in FY2026, supported by favourable pricing and inventory-related gains following geopolitical disruptions, the same remains opportunistic in nature. Nevertheless, the growth in earnings led to a strengthening of debt protection metrics in FY2026, with interest coverage improving to ~3.9x and TOL/TNW moderating to ~1.9x, although reliance on external working capital borrowings continues to be a key credit consideration.

The Stable outlook on the ratings reflects ICRA's opinion that the group will be able to generate comfortable cash flows on the back of its status as a reputed distributor of some renowned chemical manufacturers and its long-standing presence in the industry. However, ICRA also notes the material increase in prices of most key chemicals following the ongoing conflict in West Asia. The potential impact of the same on the domestic and export demand and trading volumes for the RR Group will remain a key monitorable.

Key rating drivers and their description

Credit strengths

Established track record in chemical trading in India – RR Group has a track record of operations over six decades and the promoters have extensive experience in the chemical trading business, which gives it a competitive advantage in the industry.

Wide product portfolio, diversified customer base and established relationship with suppliers - The RR Group benefits from a diversified product portfolio catering to multiple end-user industries, a well-spread customer base across geographies and long-standing relationships with key domestic suppliers such as GACL, GNFC, Grasim and the Deepak group, which supports business stability and continuity of operations.

Credit challenges

Intense competition and limited value-additive nature of operations translates into moderate profitability – The RR Group operates in a highly competitive environment, comprising organised and unorganised players, which limits its pricing flexibility. This, coupled with the low value-added nature of the trading operations, results in thin margins. However, a favourable shift in product/customer mix partly mitigates the impact.

Vulnerability of profitability to fluctuation product prices and forex rates – The group’s profitability remains vulnerable to fluctuations in product prices and foreign exchange rates. Margins are influenced by volatility in global chemical prices, feedstock costs and energy prices, as well as movements in foreign exchange rates due to partial dependence on imports. While the group has demonstrated the ability to pass on price increases to customers and manage sourcing diversification to mitigate risks, sharp and sudden market movements can impact near-term profitability, particularly in periods of oversupply or adverse currency movements.

Moderate debt coverage metrics – The group’s debt coverage metrics remain moderate, reflecting the inherently working capital-intensive trading-led business model. While coverage indicators improved in FY2026, supported by higher operating profitability and reduction in debt levels, they continue to be sensitive to volatility in margins and cash flows, keeping debt protection metrics at moderate levels.

Liquidity position: Adequate

The consolidated liquidity position is Adequate. The consolidated average working capital utilisation was 60-65% of the sanctioned working capital limits in the last 12 months ended in March 2026. Supported by a sharp improvement in profitability in FY2026, the group generated healthy consolidated cash accruals of ~Rs. 88 crore, which provides comfort on near-term liquidity. It also does not have any major capital expenditure (capex) plans. Accordingly, liquidity is expected to remain adequate, supported by internal cash generation and unutilised working capital limits.

Rating sensitivities

Positive factors - ICRA could upgrade the ratings if the RR Group demonstrates a sustained improvement in operating profitability leading to improvement in debt metrics along with improvement in the liquidity and working capital intensity

Negative factors - Pressure on the ratings could arise if the Group demonstrates a sustained decline in revenue and profitability leading to deterioration of debt metrics or a stretch in the working capital intensity weakens its liquidity profile

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology

	Chemicals
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered consolidated view of R R Innovative Private Limited (RRIPL) (including its subsidiaries- Alkimia Pharma-Chem Private Limited and Radiant Chemtrade DMCC) and its Group company- R Nandlal and Sons Private Limited due to the common promoters and the management, operational and financial linkages. (The entities are enlisted in Annexure-III)

About the company

R Nandlal and Sons Private Limited, formerly R Nandlal and Sons, is engaged in the business of trading of chemicals. It traces its origin to a partnership started by Mr. Rajnikant Gadhia in the 1940s, with operations spanning across the entire country and chemicals procured from both domestic and international players to cater to customers in different regions. However, in order to enhance operational efficiencies, the management decided to dissolve the partnership and the name was changed to R Nandlal and Sons Private Limited in 2023.

About the Group

The R R Group is a generational family business started in the 1940s, involved in wholesale and distribution of chemical raw materials and solvents. It is headquartered in Mumbai and its offices as well as warehouses are in Dubai, Gujarat, Hyderabad and Vizag. The group caters to industries such as pharmaceutical, agrochemical, paint and coating, water treatment, adhesives and resin, among others.

In 1972, the business was divided between the 7 brothers and R Nandlal was divided into 7 companies with the same trade name R Nandlal followed by some suffix to differentiate between the entities. Then in 1988, a separate entity was established to avoid confusion between the customers, under the name of RR Enterprise while R Nandlal continued to be operational. RR Enterprise was a partnership firm between three brothers, which in 2012 was converted into RR Innovative Private Limited. R Nandlal and sons was changed to R Nandlal and Sons Private Limited in 2023. All the chemical-related business activities are carried out in RR Innovative Private Limited and one activity in R Nandlal and Sons Private Limited.

Of the other 6 factions, only 1 is continuing the chemicals business under the name Balaji Tradechem Private Limited, while for the remaining 5, the next generations did not take the business forward.

Key financial indicators (audited):

RNS	RNS Standalone		RR Group		
	FY2025	FY2026*	FY2024	FY2025	FY2026*
Operating income (OI, Rs. crore)	333.1	140.5	1,889.4	2,101.7	2,015.8
PAT (Rs. crore)	2.5	4.0	12.7	19.8	81.9
OPBDIT/OI (%)	2.0%	3.4%	2.6%	2.6%	5.0%
PAT/OI (%)	0.7%	2.9%	0.7%	0.9%	4.1%
Total outside liabilities/Tangible net worth (times)	23.0	8.1	2.6	2.2	1.9
Total debt/OPBDIT (times)	11.7	11.2	9.9	7.9	4.0
Interest coverage (times)	1.6	4.2	1.4	1.4	3.9

Source: Company, ICRA Research; * Provisional numbers; 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

Current (FY2027)			Chronology of rating history for the past 3 years							
			FY2027		FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Others – Fund-based/Non-fund based	Long term/Short term	130.00	May 06, 2026	[ICRA]BBB (Stable)/[ICRA]A3+	-	-	Jun 20, 2024	[ICRA]BBB-(Stable)/[ICRA]A3	-	-
						-	-	Feb 03, 2025	[ICRA]BBB-(Stable)/[ICRA]A3	

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 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 instruments

Instrument	Complexity indicator
Long term/Short term – Fund-based/Non-fund based – Other	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 II: 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 – Other	NA	NA	NA	130.00	[ICRA]BBB(Stable)/[ICRA]A3+

Source: Company data

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

Annexure III: List of entities considered for consolidated analysis -

Company name	RR IPL ownership	Consolidation approach
RR Innovative Private Limited	100.00%	Full consolidation
Alkimia Pharma-Chem Private Limited	100.00%	Full consolidation
Radiant Chemtrade DMCC	100.00%	Full consolidation
R Nandlal Sons Private Limited	Common Promoters	Full consolidation

Source: Company data

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