



Press Release

Ambani Orgochem Limited formerly known as Ambani Organics Limited (AOL)

July 11, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities – Term Loan	32.10 (Reduced from Rs 34.81 crore)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	Rating reaffirmed	Simple
Long Term Bank Facilities – Term Loan GECL Extn	1.08 (Reduced from Rs.1.98 crore)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	Rating reaffirmed	Simple
Long Term Bank Facilities – Term Loan GECL 1.0	0.00 (Reduced from Rs.0.47 crore)	Withdrawn	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	Withdrawn	Simple
Long Term Bank Facilities – Usance Bills Discounting	5.00	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	Rating reaffirmed	Simple
Long Term Bank Facilities – Cash Credit	22.50	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	Rating reaffirmed	Simple
Short Term Bank Facilities - LC	37.00	IVR A4+ (IVR A Four Plus)	IVR A4+ (IVR A Four Plus)	Rating reaffirmed	Simple
Short Term Bank Facilities – Credit Equivalent Exposure	0.40	IVR A4+ (IVR A Four Plus)	IVR A4+ (IVR A Four Plus)	Rating reaffirmed	Simple
Proposed Short Term	2.78	IVR A4+ (IVR A Four Plus)	IVR A4+ (IVR A Four Plus)	Rating reaffirmed	Simple
Total	100.86	(Rupees One Hundred Crore and Eighty-Six Lakh Only)			



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Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating to the Bank facilities of Ambani Orgochem Limited (AOL). The ratings continue to derive comfort from experienced promoters, diversified product portfolio and support from promoters in the form of regular equity infusion. However, ratings are constrained by average financial risk profile, working capital intensive nature of operations and intense competition in the industry.

The outlook for AOL is expected to remain stable, supported by the promoters' experience and the anticipated improvement in operational scale over the medium term, aided by the restoration of the Dahej plant from Feb-25 that was affected by a fire incident.

Infomerics has also withdrawn the outstanding ratings of 'IVR BB+/Stable; (IVR Double B Plus with Stable outlook) assigned to one of the GECL loan of AOL. The above action has been taken at the request of AOL and 'No Due Certificate' received from its bank confirming that the loan was fully paid. The rating is withdrawn in accordance with Infomerics' policy on withdrawal.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained increase in revenue and profitability metrics leading to improvement in debt protection metrics.
- Managing working capital efficiently supporting the liquidity profile of the company.

Downward Factors

- Significant dip in operating income and/or profitability thereby impacting the debt coverage indicators and/or deterioration in the financial risk profile.
- Timely completion of planned capex for new plant without any major cost overrun.



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Experienced promoters

Incorporated in the year 1985, AOL has a long track record of operation of more than three decades in the industry. The Promoter and the Managing Director of the company Mr. Rakesh Shah holds more than three decades of experience in the chemical industry. He is ably assisted by a second line of management who holds experience of more than two decades in the industry. The extensive experience of the promoters and established track record of operation has helped the company to maintain a healthy relationship with its customers and suppliers.

Diversified Product Portfolio

The company offers a range of multiple specialty chemicals including binders, PVP, acyclic emulsions, acrylic polymers, thickeners, paint driers to name a few which finds application in various industries including paper industry, textile industry, carpet industry, etc. Thus, being the manufacturer of an important raw material for many industries has helped the company to maintain a diversified clientele profile and has also helped the company to cater new customers over the years. The company is also engaged in exporting its products to countries like Nigeria, Dubai, Iraq etc.

Key Rating Weaknesses

Average financial risk profile

The financial risk profile of the company remained moderate as on March 31, 2025, marked by gearing at 1.25x and TOL/Adjusted TNW at 3.28x. The ISCR remained above unity at 1.20x and DSCR though improved in FY25 (refers to period from April 01, 2024 to March 31, 2025) remained below unity. The moderate financial risk profile of the company is due to low net worth relative to the liabilities. However, the company has been infusing the funds through warrants to support the financial position. A total of Rs. 18.45 crore equity has been infused over the FY204-2025 period. This has aided the increase in networth of the company from Rs. 32.06 crore in FY2023 to Rs. 51.18 crore in FY2025.



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Working capital intensive nature of operations

AOL's working capital operation is intensive in nature as it is reflected by its Gross Current Asset (GCA) days of around 232 days in FY25 as against 284 days in FY24. This is inherent in the industry due to the nature of the product. The inventory holding period has improved to 70 days as on March 31, 2025, as against 72 days as on March 31, 2024. The debtor collection period is reduced to 65 days as on March 31, 2025, as against 73 days as on March 31, 2024. On the other hand, the company's credit payment period has elongated to 141 days as on March 31, 2025, as against 137 days as on March 31, 2024.

Intense Competition in The Industry

The company faces stiff competition from other players in the industry, which limits its pricing flexibility and bargaining power with customers, thereby putting pressure on its revenues and margins.

Analytical Approach: Standalone.

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Policy on Withdrawal of Rating](#)

Liquidity –Adequate

The liquidity profile of the company remains adequate, with current ratio remained above unity and stood at 1.01x. The GCA for the projected period remained between Rs. ~12-15 crore as against the repayment of ~ Rs. 5 crore. The average utilisation for the past 12 months ended remained at 82.20%. The cash flow as on March 31, 2025, remained at Rs.10.93 crore. The company further raised Rs.2.84 crore through a preferential issue of warrants, convertible in 18 months, this adds to incremental liquidity cushion.



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About the Company

AOI is a Maharashtra based Company incorporated in the year 1985 as a Private Limited Company. Later in the year 2018, the constitution of the company was changed to Public Limited and got listed in NSE in the same year. The company is engaged in manufacturing specialty chemicals that are extensively used in the industries like Paint, Paper, Automobile and Agriculture among others. The company has four manufacturing units located at Tarapur-Maharashtra with combined manufacturing capacity of 15840MTPA.

AOL has undertaken a project to set up manufacturing facilities for production of peroxides in major at Dahej, Gujarat in the year 2022. The phase 1 of the project was completed in 2021. The second phase will be operational in March 2026 with 2 extensions first extension COD was June 2025, second extension COD March 2026 due to fire incident in phase I Dahej plant.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	136.20	192.54
EBITDA	4.53	9.31
PAT	2.99	-0.92
Total Debt	60.76	59.63
Tangible Net Worth	45.19	51.18
EBITDA Margin (%)	3.33	4.84
PAT Margin (%)	2.19	-0.47
Overall Gearing Ratio on adjusted TNW (x)	1.43	1.25
Interest Coverage (x)	0.67	1.20

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil



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Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in FY24-25	Date(s) & Rating(s) assigned in 23-24	Date(s) & Rating(s) assigned in 22-23
					Date	-	Date (March 30, 2023)
1.	Fund Based Bank Facility	Long Term	60.68	IVR BB+/ Stable	IVR BB+/ Stable (July 01, 2024,) IVR BB+/ Stable (April 24, 2024)	-	IVR BB+/ Stable
2.	Fund Based Bank Facility	Short Term	0.40	IVR A4+	IVR A4+ (July 01, 2024,) IVR A4+ (April 24, 2024)	-	IVR A4+
3.	Non-Fund Based Facility	Short Term	37.00	IVR A4+	IVR A4+ (July 01, 2024,) IVR A4+ (April 24, 2024)	-	IVR A4+
4.	Proposed Short Term	Short Term	2.78	IVR A4+	IVR A4+ (July 01, 2024,) IVR A4+ (April 24, 2024)	-	IVR A4+



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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) formerly known as Infomerics Valuation and Rating Pvt Ltd was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan IV	-	-	November - 2025	0.29	IVR BB+/ Stable
GECL 1.0	-	-	July - 2024	0.00	Withdrawn
GECL 1.0 (Extn)	-	-	November - 2026	1.08	IVR BB+/ Stable
Term Loan V	-	-	January - 2029	13.81	IVR BB+/ Stable
Term Loan VI	-	-	September - 2027	18.00	IVR BB+/ Stable
UBD under LC	-	-	-	5.00	IVR BB+/ Stable
Cash Credit	-	-	-	22.50	IVR BB+/ Stable
LC	-	-	-	37.00	IVR A4+
Credit Equivalent Exposure	-	-	-	0.40	IVR A4+
Proposed Short Term	-	-	-	2.78	IVR A4+

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/Len-Ambani-Orgochem-11july25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.