



Press Release
C J S SPECIALTY CHEMICALS PRIVATE LIMITED
December 26, 2025
Rating Assigned

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	75.00	-	ACUITE A1 Assigned
Total Outstanding Quantum (Rs. Cr)	75.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its short-term rating of '**ACUITÉ A1**' (read as **ACUITE A one**) on the Rs. 75.00 Cr. bank facilities of C J S Specialty Chemicals Private Limited (CJSSCPL).

Rationale for rating assigned

The rating assigned considers the company's established track record of operations, experienced management and diversified product portfolio in speciality chemicals across varied industrial applications having large customers and suppliers' base. The rating also factors in the consistent improvement in operating performance, evidenced by a CAGR of ~28 per cent from FY2022 to FY2025, along with a healthy financial risk profile marked by low debt, healthy debt protection metrics and strong liquidity position. However, the rating is constrained by moderately intensive working capital operations and susceptibility of profitability to volatility in material prices and forex risk.

About the Company

C J S Specialty Chemicals Private Limited (CJSSCPL), incorporated in 2008, is promoted by Mr. Ashish Shah and Mr. Dharmesh Mange. The company trades in over 50 product categories of specialty chemicals and serves as a distributor for various industrial segments, including paints & coatings, pharmaceuticals & APIs, printing inks, agrochemicals, water treatment, and resin manufacturing. The top three industries catered to by CJSSCPL are Paints & Coatings, Printing Inks, and Adhesives. CJSSCPL has its head office in Mumbai and operates a blending unit in Thane. The company maintains stock points in Kalyan, Kandla, Ghaziabad, Chennai, and Kolkata to support distribution. It also has branch offices in Ahmedabad, Chennai, and Kolkata to manage regional operations.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of C J S Specialty Chemicals Private Limited (CJSSCPL) to arrive at the rating.

Key Rating Drivers

Established track record along with experienced management

CJSSCPL has an operational track record of over a decade in trading of speciality chemicals. It is promoted by Mr. Ashish Shah and Mr. Dharmesh Mange who possess over two decades of experience in the speciality chemical industry. They are supported by the team of experienced professionals in managing day to day operations of CJSSCPL. The extensive experience of the promoter has enabled the company to establish a healthy relationship with its customers and suppliers. Acuite believes that the extensive experience of the management in the speciality chemical is expected to continue benefit the company in growing its business going ahead.

Diversified product portfolio across varied Industrial applications

CJSSCPL has ventured into more than 15 industrial applications with highest exposure to coating sector of ~40 per cent and packaging and adhesive of ~23 per cent deriving healthy gross profit margin. Going forward, the company plans to diversify its portfolio while strengthening its offerings in value added applications and products, which would be margin accretive as well.

Improvement in operating performance

The operating performance of the company improved to Rs. 684.38 crores from Rs. 588.85 crore in FY2024, backed by the increase in the sale volumes by ~12 per cent and change in the product mix with major contribution from high value products. Further, the company has registered a growth from FY2022 to FY2025 with operating income growing at ~28 per cent CAGR, supported by volume growth of ~21 per cent over the same period. Further, the company's operating margins improved to 7.66 per cent in FY2025 up from 5.27 per cent in FY2024 and 4.47 per cent in FY2023 this is on account of increased contribution from high value products. In 8MFY2026 the company achieved an operating income of Rs. 468.23 crore as against Rs. 455.40 crore in 8MFY2025 and EBITDA margin of 10.16 per cent. Going ahead, the improvement and sustainability in the revenue growth and profitability would be a key monitorable.

Healthy Financial Risk Profile

The financial risk profile of the company is healthy marked by moderate net worth, below unity gearing and healthy debt protection metrics. The company's net worth stood at Rs. 210.98 crore as on March 31, 2025 as compared to Rs. 172.62 crore as on March 31, 2024, due to accretion of profit to reserves. The total debt of the company stood at Rs. 14.47 crore as on March 31, 2025, as against Rs. 11.16 as on March 31, 2024 which comprise of short-term debt (Buyer credit). The gearing of the company's stood at 0.07 times in FY2025 as against 0.06 times in FY2024. The TOL/TNW stood at 0.60 times as on March 31, 2025, as against 0.66 times as on March 2024. The debt protection metrics are comfortable as reflected with an interest service coverage ratio (ICR) of 66.47 times as on March 31, 2025, as against 27.46 times as on March 2024. Also, debt service coverage ratio (DSCR) stood at 49.81 times as on March 31, 2025, as against 20.65 times as on March 2024. Acuite expects the financial risk profile of the company to remain healthy backed by healthy cash accruals.

Weaknesses**Moderately intensive working capital operations**

The working capital operations of the company are moderately intensive marked by gross current asses (GCA) of 172 days in FY2025 and as against 170 days during FY2024. The debtor days of the company stood at 83 days for FY2025 compared to 85 days for FY2024 and the inventory days stood at 94 days for FY2025 as against 86 days for FY2024. The higher inventory days are on account of depreciating currency as suppliers quote increased forex rates for upcoming quarters. As on November 2025, 99.75 per cent of the debtors are below 180 days. Further, the creditor days stood at 68 days in FY2025 as compared to 72 days in FY2024. The average fund-based working capital utilization of the company is ~4 per cent and non fund-based limits utilization is ~16 per cent for 6 month ended as on November 2025. Acuite believes that working capital operations of the company will continue to remain in similar range over medium term considering the nature of business.

Susceptibility of profitability to volatility in input prices and Forex Risk

CJSSCPL imports majority of its products with majority of its sales being in domestic Indian market and hence it is susceptible to the fluctuations in foreign currency exchange rates. The company hedges its forex risk through entering into forward contracts, passing cost increases to customers through price adjustments, while maintaining 60–90 days of inventory to allow price corrections and customer communication and fixed dollar terms. However, the margins remained exposed to market conditions, fluctuating forex rates and product prices to an extent.

Rating Sensitivities

- Sustain improvement in scale of operations and profitability margins
- Deterioration in financial risk profile
- Deterioration in working capital management

Liquidity Position**Strong**

The liquidity position of the company remains strong. The company generated net cash accruals of Rs. 38.71 crore in FY2025 and Rs. 22.67 crore in FY2024 against NIL repayment obligation in the same period. The company had a cash balance of Rs. 9.71 crore and investments in mutual funds of Rs. 8.45 crore as on November 30, 2025. The current ratio stood at 2.62 times in FY2025 as against 2.48 times in FY2024. The average fund-based working capital utilization of the company is ~4 per cent and non fund-based limits utilization is ~16 per cent for 6 month ended as on November 2025. Acuité believes that the liquidity of the company is likely to remain strong over the medium term on account of adequate cash accrual over the medium term against repayment obligations.

Outlook: Not Applicable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	684.38	588.85
PAT	Rs. Cr.	38.37	22.51
PAT Margin	(%)	5.61	3.82
Total Debt/Tangible Net Worth	Times	0.07	0.06
PBDIT/Interest	Times	66.47	27.46

Status of non-cooperation with previous CRA (if applicable)

None.

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History :

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HSBC Limited	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1 Assigned
Not Applicable	Not avl. / Not appl.	Proposed Short Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1 Assigned
KOTAK MAHINDRA BANK LIMITED	Not avl. / Not appl.	Working Capital Demand Loan (WC DL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUITE A1 Assigned

*The Fund based limit from Kotak Mahindra Bank Limited of Rs. 25 crore are interchangeable with Letters of Credit/ BG/SBLC for Buyers Credit to the extent of Rs. 23.75 crore

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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