Rochem Separation Systems (India) Private Limited

November 28, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	59.00	CARE BBB; Stable	Assigned
Long Term / Short Term Bank Facilities	80.00	CARE BBB; Stable / CARE A3+	Assigned
Short Term Bank Facilities	26.00	CARE A3+	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Rochem Separation Systems (India) Private Limited (RSSPL) derive strength from extensive experience of management coupled with growing scale of operations and satisfactory capital structure and debt coverage indicators. The ratings, however, remain constrained on account of fluctuating and moderate profitability, moderate orderbook position albeit supported by a reputed clientele base, working capital-intensive nature of operations and presence in a highly competitive industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations marked by Total Operating Income (TOI) of more than ₹600 crore on sustained basis
- Improvement in working capital cycle of less than 120 days on sustained basis.

Negative factors

- Decline in profitability marked by Profit Before Interest, Lease, Depreciation, and Tax (PBILDT) margins to less 8% on sustained basis
- Any un-envisaged debt funded capex leading to deterioration in financial risk profile.
- Gross Current Asset (GCA) days of more than 320 days.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings) expectation that the company will maintain its financial risk profile supported by experience of its promoters along with favourable industry growth prospects.

Detailed description of key rating drivers:

Key strengths

Extensive experience of the management

RSSPL is promoted by the Goel family. Prayas Goel, Managing Director, is a mechanical engineering graduate with over two decades of experience in organizational strategy, business re-engineering and envisioning future technology and leading innovation and overseeing the company's overall operations. Prerak Goel, Whole-time Director, holds an MBA and brings more than two decades of experience in organizational strategy, financial strategy and management, fund raising and investor management and international sales. The board also includes Kamal Shanbhag, an Independent Director, who is a Chartered Accountant with over two decades of experience in financial advisory and consultancy services and Alipt Sharma, is a Chartered Accountant with over two decades of experience in sourcing, structuring and managing investments. The senior management team is further supported by a strong second line of management across HR, finance, procurement, and sales & marketing, enabling effective operational and strategic execution.

Growing scale of operations

RSSPL generates revenue primarily from three segments: sale of plant and systems (~55% of TOI), operation and maintenance (O&M) services (~22% of TOI), and sales of spare parts (~23% of TOI). Over the past five years ending FY25 (refers to April 01 to March 31), RSSPL's scale of operations, as marked by TOI, grew at a CAGR of 7.02%. During FY25, RSSPL reported a TOI of ₹409.03 crore, as against ₹348.28 crore in the previous year, reflecting a year-on-year growth of 17.44%, largely driven by higher revenue from plant and system sales which improved from ₹167.12 crore in FY24 to ₹224.70 crore in FY25. Further, during H1FY26 (refers to April 1 to September 30), the company reported a TOI of ₹160.34 crore.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Comfortable Capital Structure and Debt coverage indicators

Over the past few years, RSSPL has maintained a comfortable capital structure, with overall gearing of below unity. As of March 31, 2025, overall gearing stood at 0.71x, improving from 0.83x as of March 31, 2024, primarily due to scheduled repayment of term debt and an increase in net worth to ₹135.90 crore in FY25. Further during FY25, debt coverage metrics also remained healthy, with Total Debt/PBILDT at 2.25x (P.Y. 3.37x) and PBILDT interest coverage at 3.54x (P.Y. 2.46x). RSSPL is likely to maintain its capital structure over the medium term.

Key weaknesses

Fluctuating albeit moderate profitability

RSSPL's profitability has been fluctuating over the past five years ending FY25 marked by PBILDT margins in the range of 8.30% to 14.32%. During FY25, PBILDT margins improved however remained moderate at 10.54% as against 8.30% in FY24. The improvement was primarily driven by better sales mix. Further, during H1FY26, RSSPL reported PBILDT margins of 4.17% and incurred a net loss of ₹6.73 crore. Given that clients usually postpone major capex during the monsoon season, the company's billing and project execution are concentrated in the latter half of the year. Accordingly, H1 revenues remain modest, even as fixed overheads continue, resulting in weaker profitability in the first half.

Moderate order book position, albeit supported by a reputed clientele base.

RSSPL had a moderate order book of ₹189.16 crore as on September 30, 2025. The order mix comprises manufacturing and O&M service contracts in the ratio of 47:53, with manufacturing orders typically executed within 6-8 months. Although the company benefits from its established track record of operations and association with reputed clientele such as Tata Motors Limited, Lupin Limited, Grasim Industries Limited the overall size of the order book remains moderate, thereby constraining medium-term revenue visibility.

Working Capital Intensive Operations

RSSPL's operations remain working capital intensive, with significant funds blocked in inventory and receivables. As on March 31, 2025, inventory and receivable days stood high at 111 days and 135 days, respectively, resulting in an elongated working capital cycle of 149 days (P.Y. 140 days). Gross Current Assets (GCA) also remained elevated at 294 days in FY25 (P.Y. 286 days). In the manufacturing segment, payments are received in stages—20% as advance, 10% upon drawing submission, 30% post-dispatch, 30% after commissioning, and the remaining 10% on submission of the performance bank guarantee. In the O&M and trading segments, the company offers a credit period of 60–90 days. Inventory levels also remain elevated due to the project-based nature of operations and the spare-parts stocking requirement for the trading business. Additionally, a significant proportion of revenue is booked in the last quarter of the year, further stretching the operating cycle. On the payables side, RSSPL generally receives a credit period of 90–120 days from suppliers. Going forward, the company's ability to effectively manage receivables and prevent any further elongation of the working capital cycle will remain an important rating monitorable.

Presence in a Highly Competitive Industry

RSSPL operates in the highly competitive wastewater treatment industry, characterized by intense competition and the presence of several established domestic and international players. The industry's competitive nature limits pricing flexibility and exerts pressure on profitability. However, RSSPL's long-standing presence, established execution track record, and association with reputed clientele partially mitigate the competitive risk.

Liquidity: Adequate

The liquidity position of RSSPL remained adequate as marked by sufficient cash accruals as against debt repayment obligations. RSSPL is expected to generate GCA of ~₹30 crore annually as against debt repayment obligations of ~₹2 crore. The operations of RSSPL are working capital intensive in nature as indicated by high GCA days of 294 days. Further, the average utilization of working capital limits remained at 82.86% for past twelve months ending July 31, 2025. The cash flow from operations remained at ₹11 crore in FY25. Furthermore, the current ratio stood comfortable at 1.41x as on March 31, 2025.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Nonfinancial Sector
Construction Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Utilities	Other Utilities	Water Supply & Management

Incorporated in 1991, Rochem Separation Systems (India) Private Limited (RSSPL) is a Mumbai-based wholly owned subsidiary of Concord Enviro Systems Limited (CESL). The company offers environmental engineering solutions with a focus on wastewater recycling, desalination, and industrial effluent treatment. The company is engaged in researching, developing, manufacturing and installing of Advanced Membrane Module Technology based separation systems for recovery and reuse of difficult wastewater. Along with manufacturing of recycling plants the company is also involved in trading and replacement of spare parts used in its treatment plants. Furthermore, RSSPL also provides after sale and maintenance services on a monthly contract basis which includes specialised manpower services to operate and maintain (O&M services) the commissioned plants at client site.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	348.28	409.03	160.34
PBILDT	28.89	43.10	6.68
PAT	11.42	19.13	(6.73)
Overall gearing (times)	0.83	0.71	NA
Interest coverage (times)	2.46	3.54	NA

A: Audited; UA: Unaudited, NA: Not available Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based-Working capital facilities		-	-	-	59.00	CARE BBB; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	80.00	CARE BBB; Stable / CARE A3+
Non-fund-based - ST-BG/LC		-	-	-	26.00	CARE A3+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based-Working capital facilities	LT	59.00	CARE BBB; Stable				
2	Non-fund-based - ST-BG/LC	ST	26.00	CARE A3+				
3	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	80.00	CARE BBB; Stable / CARE A3+				

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based-Working capital facilities	Simple
2	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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About us:

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