

Chemical Process Equipments Private Limited

December 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	20.94	CARE BB+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	72.60	CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE A3 and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Chemical Process Equipment Private Limited (CPEPL) to monitor the ratings through email communications and letters dated December 16, 2025, December 03, 2025, and November 10, 2025, among others and numerous phone calls. However, despite repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with extant SEBI guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. Ratings for CPEPL's bank facilities will now be denoted as CARE BB+; Stable; ISSUER NOT COOPERATING. and CARE A4+; ISSUER NOT COOPERATING.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised on account of non-submission of the requisite information for monitoring the ratings. The ratings continue to factor in the established relationship with reputed clientele, experienced management and long track record of the company. These strengths are offset by its moderate scale of operation, working capital intensive operations and vulnerability of profitability to raw material price volatility and foreign currency fluctuation. Operations also remain susceptible to risks inherent in tender-based operations and the intense competition in domestic pipes segment from organised and unorganised segments.

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CareEdge Ratings' expectations that CPEL will continue to maintain an adequate financial risk profile in the medium term while benefiting from its established operational track record and experience of promoters.

Detailed description of key rating drivers:

At the time of last rating on December 20, 2024, the following were the strengths and weaknesses.

Key strengths

Reputed clientele with track record of repeat orders

CPEPL has established relationship with reputed clientele such as Kutch Copper Limited, Thyssenkrupp Nucera, and Larsen & Toubro Limited, among others. CPEPL's product suite finds application in chemical, pharmaceutical, fertiliser, paper and pulp, food processing, water and wastewater, textile, metallurgical, mining, paints, pigments and dyestuff, and power plants among others. Over the last five decades, CPEL has created a niche segment and established itself as one of the major manufacturers of FRP Equipments primarily for the chemical storage industry. Top 10 customers contributed ~77% of the total sales in FY24 (PY: 62%). The quality of clients also helps in mitigating the counterparty credit risk.

Adequate capital structure and debt coverage indicators

CPEPL's capital structure stood at adequate levels marked by TOL/TNW at 3.09x (PY: 3.73x) and overall gearing at 0.81x (PY: 1.23x) as on March 31, 2024. The improvement is considering reduction in total debt due to scheduled repayments and accretion to reserves. In FY24, debt coverage indicators stood adequate marked by PBILDT interest cover at 8.88x (PY: 2.48x) and TD/GCA at 4.61x (PY: 8.81x). The company is planning an expansion of ~₹4-5 crore in the near-to-mid-term, partly funded by incremental borrowings. However, CARE Ratings expects the company to maintain a comfortable financial risk profile over the coming years.

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

Healthy order book position

As on December 09, 2024, CPEL has a healthy order book position of ~₹180 crore providing medium term revenue visibility with more orders in process of bidding and being allotted. The order book is from reputed clients. However, per management, they are expecting ~₹70 to 80 crore to be completed by FY25. The balance of current order book is expected to be completed by FY26.

Experienced management and long track record of company

CPEL's founder-promoter, BS Rajpurohit (BSc [Tech] from UDCT [University Department of Chemical Technology] and PG Diploma in Chemical Engineering) has extensive experience of over five decades in the current business and has been instrumental in managing the operations since inception. He is widely recognised as pioneer in manufacturing chemical process equipment, process piping and fittings of FRP products by FRP Institute. Currently, CPEL's day-to-day affairs are managed by a team of qualified and experienced professionals headed by Ashwin Rajpurohit (Managing Director) a mechanical engineer with over two decades of experience in designing, manufacturing and erection of fiber reinforced plastic (FRP) equipments. Aryaman Rajpurohit (son of Ashwin) manages sales and execution department.

Key weaknesses**Moderate scale of operations**

CPEL's scale of operation grew at a compounded annual growth rate (CAGR) of ~64% between FY21 and FY24, backed by growth in volume and prices. CPEL's Total Operating Income (TOI) increased by ~131% on y-o-y basis to ₹226 crore in FY24 compared to 97.80 crore in FY23, primarily considering execution of some large one-time orders that led to increase in volume sales of FRP Tanks and Vessels. Going forward, while CARE Ratings expects scale of operation to normalise in FY25 in the range of ₹180-200 crore and thereafter grow at 10-15% pa. The moderate scale of operations limits CPEL's ability to absorb external shocks.

Susceptibility of profitability to volatility raw material prices and foreign exchange rates

CPEL's PBILDT margin has remained volatile over the years. In FY24, PBILDT margins declined substantially to 5.82% compared to 9.98% in FY23 owing to the type of order being executed. However, it still continues to remain at moderate levels. CPEL's primary raw materials are FGR material and synthetic resin, which are crude oil derivatives and their prices depend on crude oil prices. CPEL can pass on the price rise in raw material to its customer, however, up to a limited extent. This exposes CPEL's profitability to fluctuation in crude oil prices. In FY24, CPEL imported raw materials (primarily resin) worth ₹12.33 crore and its export sales (majorly Europe, followed by USA and Indonesia among others) stood at ₹83.25 crores. This provides CPEL with a natural hedge to an extent as the company does not hedge its foreign exchange risk. In FY24, CPEL incurred net forex loss of ₹0.14 crore (PY: net loss ₹1.93).

Susceptibility to risks inherent in tender-based operations and intense competition

The revenue and profitability entirely depend on the ability to win tenders. Also, entities in this segment face intense competition, thus requiring them to bid aggressively to get contracts, which restricts the PBILDT margin. Also, given the cyclicity inherent in industry, the ability to maintain profitability margin through operating efficiency becomes critical. The domestic industry is characterised by the presence of large competitors and several mid-sized unorganised players which limits pricing power. However, CPEL's entrenched experience and demonstrated superior product quality mitigates the risk to an extent.

Liquidity: Adequate

Liquidity stood adequate marked by sufficient expected gross cash accruals in the range of ₹7-10 crore pa against moderate repayment obligations in the range of ₹2-3 crore pa in next three years and capex plans of ₹4-5 crore pa which will be partly funded through incremental borrowings. CPEL's average working capital utilisation for fund based remained comfortable at 38% in the last 12 months ended November 2024, indicating sufficient buffer. In FY24, net CFO stood positive ₹17.75 crore (PY: positive ₹1.18 crore). As on March 31, 2024, current ratio stood at 1.19x (PY: 1.20x) and quick ratio stood at 0.69x (PY: 0.59x). The company also had cash and bank balance (including lien) worth ~₹6 crore as on Sept 30, 2024.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

[Liquidity analysis of Non Financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Other Industrial Products

CPEPL was established as a proprietorship entity by B S Rajpurohit in 1964, for designing, manufacturing and installation of fiber reinforced plastic/glass reinforced polymers (FRP/GRP) and FRP dual laminate equipments which find application in diverse industries. On August 31, 1995, the firm was reconstituted as private limited company as Chemical Process Equipments Private Limited. The company has its manufacturing facilities in Baroda, Gujarat.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1 FY25 (UA)
Total operating income	97.80	225.72	97.74
PBILDT	9.77	13.14	7.86
PAT	3.63	7.95	4.76
Overall gearing (times)	0.73	0.81	NA
Interest coverage (times)	2.48	8.88	16.72

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

These are the latest available financials

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 - LT-Cash Credit	-	-	-	-	13.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan	-	-	-	31-12-2026	7.94	CARE BB+; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee	-	-	-	-	51.60	CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	-	21.00	CARE A4+; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 - LT-Cash Credit	LT	13.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (20-Dec-24)	1)CARE BBB-; Stable (02-Jan-24)	1)CARE BBB-; Stable (17-Jan-23) 2)CARE BBB-; Stable (02-Jan-23) 3)CARE BBB-; Negative (07-Apr-22)
2	Non-fund-based - ST-Letter of credit	ST	21.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3 (20-Dec-24)	1)CARE A3 (02-Jan-24)	1)CARE A3 (17-Jan-23) 2)CARE A3 (02-Jan-23) 3)CARE A3 (07-Apr-22)
3	Non-fund-based - ST-Bank Guarantee	ST	51.60	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3 (20-Dec-24)	1)CARE A3 (02-Jan-24)	1)CARE A3 (17-Jan-23) 2)CARE A3 (02-Jan-23) 3)CARE A3 (07-Apr-22)
4	Term Loan-Long Term	LT	-	-	-	-	-	1)Withdrawn (02-Jan-23)

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
								2)CARE BBB-; Negative (07-Apr-22)
5	Fund-based - LT-Term Loan	LT	7.94	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (20-Dec-24)	1)CARE BBB-; Stable (02-Jan-24)	1)CARE BBB-; Stable (17-Jan-23)

*Issuer did not cooperate; based on best available information.

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 - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated: Not Applicable

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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