

## Jalaqua International LLP

December 19, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	58.70 (Reduced from 76.73)	CARE BB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	30.00	CARE BB+; Stable / CARE A4+	Reaffirmed
Short Term Bank Facilities	1.10	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The reaffirmation of ratings for the bank facilities of Jalaqua International LLP (JAI) reflects its stable scale of operations in FY25 and improvement in H1FY26 (provisional; April 01 to September 30). The ratings also continue to factor in moderate capital structure and debt coverage indicators, its limited liability partnership (LLP) constitution, regulatory and environmental risks inherent in the chemical industry, as well as the susceptibility of profitability margins to fluctuating raw material prices and foreign exchange rates.

However, the ratings continue to derive strength from the resourceful and experienced promoters, JAI's extensive geographical presence, and healthy profitability margins, which further improved in H1FY26 due to better realizations supported by enhanced product quality.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Improvement in scale of operations marked by Total Operating Income (TOI) above ₹150 crore along with sustaining PBILDT margins above 25%.
- Improving capital structure marked by overall gearing below 1.25x and debt coverage indicators marked by PBILDT interest coverage above 4x.

#### Negative factors

- Deterioration in debt coverage indicators marked by total debt to Gross cash accruals (TD/GCA) of 6 years or more on sustained basis.
- Further increase in operating cycle deteriorating liquidity position.

**Analytical approach:** Standalone

#### Outlook: Stable

Stable outlook reflect that JAI's risk profile is expected to remain moderate backed by moderate scale of operations with sustaining healthy profitability margins along with adequate liquidity.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Stable scale of operations in FY25 albeit upward momentum expected in FY26

The scale of operations, as marked by TOI, remained stable at ₹95.96 crore in FY25, broadly in line with ₹91.49 crore in FY24, with an export-to-domestic sales mix of 70:30. During H1FY26, with increased sales volume along with better realizations, JAI reported TOI of ₹59.98 crore. Consequent to better scale in H1FY26 and pending orders on hand, CareEdge Ratings anticipates TOI to reach ₹160-₹180 crore in FY26.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Moderate capital structure and debt coverage indicators**

The capital structure, as marked by overall gearing, remained moderate at 1.46x as on March 31, 2025 (FY24: 1.64x) and 1.50x as on September 30, 2025, with debt level of ₹97.46 crore as on September 30, 2025. Unsecured loans of ₹16.97 crore and ₹2.44 crore as on March 31, 2025, and September 30, 2025, respectively are subordinated to bank debt and hence considered as quasi equity, in line with CareEdge Ratings' policy.

Debt coverage indicators also remained moderate, as marked by an interest coverage ratio of 2.24x in FY25 (FY24: 4.02x), which improved to 6.43x in H1FY26 on account of better profitability. TD/GCA deteriorated to 7.23x in FY25 as against 5.72x in FY24 due to reduction in Gross cash accruals. However, with improvement in cash accruals, TDGCA improved to 2.51x in H1FY26.

**LLP nature of constitution**

JAI has converted its constitution from partnership to LLP in May 2023. Being LLP, JAI is exposed to inherent risk of partners' capital being withdrawn at time of personal contingency, and entity being dissolved upon the death/retirement/insolvency of partners which may affect financial flexibility of the entity. Nevertheless, the partners have demonstrated strong commitment by timely infusing capital to support liquidity and business expansion.

**Regulatory and Environmental risk**

Chemical manufacturing companies face threat from various regulatory compliances from government and from the local area population. Various licenses and environmental clearances are mandatory for the setting up of a manufacturing facility. However, JAI falls under Zero emission or discharge plant as during the process of manufacturing of Calcium Hypochlorite, it's by product Calcium Hypochlorite solution is produced from the remains which is used in sanitizers and thus there is no requirement of setting up waste discharge plant.

**Susceptibility of profitability to volatility in raw material prices and foreign exchange fluctuation risk**

Profitability of entity is susceptible to the volatility in the prices of raw materials which are volatile in nature. Primary raw material of JAI includes chlorine, caustic soda Lye, hydrated lime and slacked lime. Entity procures raw material domestically only. Although, entity has been able to pass on the fluctuation in raw material prices to its customers to an extent it is exposed to the raw material price volatility. Further, profitability is also susceptible to volatility in foreign currency since majority of its revenue is from export sales. In absence of any active hedging policy, entity is exposed to foreign exchange fluctuation risk. Firm reported foreign exchange gain of ₹0.65 crore in FY25 and ₹0.28 crore in FY24.

**Key strengths****Resourceful and experienced promoters**

Mr. Suresh Patoliya has around 15 years of experience in various industries through Jalaram group of companies. He is responsible in managing finance department of JAI. Mr. Ashok Katrodiya has around decade of experience in managing restaurant business under Jalaram Group of companies, he is looking after production and technology department. Mr. Mahesh Sojitra is looking after the inventory and cargo planning department of JAI. He is also associated with Jalaram Group of companies since many years. Mr. Ghanshyam Patel is looking after sales and marketing along with logistics, imports and international licensing. He is associated with construction companies under Jalaram group of companies since many years. JAI is also benefitted by other partners industry experience.

**Widespread geographical presence**

JAI sells its products internationally in over 10 countries including USA, Vietnam, Egypt and African countries as well. Out of total sales, more than 70% is from export orders executed either directly or through group entities. JAI has also received license from the "U.S. Environment Protection Agency" that will allow the firm to sell its products to the US market. Certification processes for European markets are underway. Hence, JAI benefits from a geographically diversified revenue that mitigates the risk of an adverse economic downturn in any single market.

**Healthy profitability margins strengthen further in H1FY26**

Profitability position of JAI as marked by PBILDT margin continue to remain healthy at 22.55% in FY25 (FY24: 22.56%) which further improved to 38.32% in H1FY26 supported by increase in realizations from ~₹1.41 lakh per metric ton to ₹1.60 lakh per metric ton supported by the recently completed capacity expansion project to increase installed capacity from 10,000 MTPA to 24,000 MTPA and improved product specifications. Higher finance costs and increased depreciation resulted in a loss before tax of ₹4.02 crore in FY25. However, with a prior period adjustment JAI reported PAT margin at 1.54% in FY25 (FY24: 1.16%). PAT margin further improved to 21.37% in H1FY26 with better operating profits. Additionally, the ongoing 2.7 MW solar power project, expected to commence operations from April 2026, is anticipated to generate annual power cost savings of ₹2–2.5 crore, which will support profitability going forward.

### Liquidity: Adequate

Liquidity remained adequate, characterized by a cash and bank balance of ₹2.40 crore as on March 31, 2025 (PY: ₹4.97 crore) and Cash flow from operations of ₹24.77 crore in FY25 as against ₹3.50 crore in FY24, primarily due to settlement of advances given for machinery supply as part of capex and realisation of statutory dues (GST) in FY25. Average utilization of fund-based working capital limits remained high at around 90–95% during the past twelve months ended November 30, 2025. Operating cycle elongated from 37 days in FY24 to 81 days in FY25, mainly due to an increase in inventories and trade receivables on account of higher order flow. However, gross cash accruals (GCA) stood at ₹13.12 crore in FY25 against debt repayment obligations of ~₹15 crore falling due in FY26; the shortfall is expected to be met through cash accruals of FY26. Current and quick ratios were at 0.96x and 0.82x respectively as on March 31, 2025. Further, an insurance claim of ₹15.54 crore has been filed in relation to a fire incident in one of the warehouses in April 2025, and the final survey has been completed. The claim, once realized, is expected to provide liquidity support; however, any delay or shortfall in settlement will remain a key monitorable.

### Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Chemicals	Chemicals & Petrochemicals	Specialty Chemicals

Ankleshwar, Gujarat-based Jalaqua International LLP (JAI), formerly known as Jal Aqua International, was established in 2018 as a partnership firm and converted into an LLP in May 2023. JAI is engaged in the manufacturing of calcium hypochlorite (granules and solution) and commenced its commercial operations in October 2020. The company mainly exports its products to countries across Africa, Asia, and Latin America through established distributors under its registered brand name "AQUATIC." JAI is ISO 14001:2015, ISO 9001, and OHSAS certified and operates from its sole manufacturing plant at Ankleshwar, Gujarat. Calcium hypochlorite primarily finds application in water treatment and cleaning processes. The company had an installed capacity of 10,000 MTPA, which was enhanced to 24,000 MTPA from February 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (Prov.)
Total operating income	91.49	95.96	59.98
PBILDT	20.64	21.64	22.99
PAT	1.06	1.48	12.82
Overall gearing (times)	1.64	1.46	1.50
Interest coverage (times)	4.02	2.24	6.43

A: Audited Prov.: Provisional; Note: these are latest available financial results

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

**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-Term Loan		-	-	30/08/2026	58.70	CARE BB+; Stable
Fund-based - LT/ ST-Cash Credit		-	-	-	30.00	CARE BB+; Stable / CARE A4+
Non-fund-based - ST-Bank Guarantee		-	-	-	1.10	CARE A4+

**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-Term Loan	LT	58.70	CARE BB+; Stable	-	1)CARE BB+; Stable (18-Mar-25) 2)CARE BB-; Stable (02-Apr-24)	1)CARE BBB-; Stable (25-May-23)	-
2	Fund-based - LT-Proposed fund based limits	LT	-	-	-	1)Withdrawn (02-Apr-24)	1)CARE BBB-; Stable (25-May-23)	-
3	Non-fund-based - ST-Bank Guarantee	ST	1.10	CARE A4+	-	1)CARE A4+ (18-Mar-25) 2)CARE A3 (02-Apr-24)	1)CARE A3 (25-May-23)	-
4	Fund-based - LT/ST-Cash Credit	LT/ST	30.00	CARE BB+; Stable / CARE A4+	-	1)CARE BB+; Stable / CARE A4+ (18-Mar-25) 2)CARE BB-; Stable / CARE A3 (02-Apr-24)	1)CARE BBB-; Stable / CARE A3 (25-May-23)	-
5	Fund-based - LT-Proposed fund based limits	LT	-	-	-	1)Withdrawn (02-Apr-24)	1)CARE BBB-; Stable (25-May-23)	-

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-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Non-fund-based - ST-Bank Guarantee	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](mailto:care@careedge.in) for clarifications.

## Contact us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: 912267543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Kalpesh Ramanbhai Patel Director <b>CARE Ratings Limited</b> Phone: 079-40265611 E-mail: <a href="mailto:kalpesh.patel@careedge.in">kalpesh.patel@careedge.in</a></p> <p>Sajni Shah Assistant Director <b>CARE Ratings Limited</b> Phone: 079-40265636 E-mail: <a href="mailto:Sajni.Shah@careedge.in">Sajni.Shah@careedge.in</a></p> <p>Jalpa Rughani Lead Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:jalpa.rughani@careedge.in">jalpa.rughani@careedge.in</a></p>
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