Ozone Research and Applications India Private Limited

July 27, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term / Short-term bank facilities	RBI	7.00 (Enhanced from 4.00)	CARE BBB-; Stable / CARE A3	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B; Stable / CARE A4
Long-term bank facilities	RBI	20.00 (Enhanced from 3.25)	CARE BBB-; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B; Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings), vide its Press Release dated April 05, 2018, had placed ratings of Ozone Research and Applications India Private Limited (ORAIPL) under the 'ISSUER NOT COOPERATING' category, as ORAIPL had not provided requisite information for the rating exercise agreed to in its Rating Agreement. Ratings continued to remain under issuer not cooperating category, however, the company has now provided requisite information to undertake the review. CareEdge Ratings has carried out a surveillance of ratings, and ratings stand at 'CARE BBB-; Stable/ CARE A3'.

Upgrade in ratings assigned to bank facilities of ORAIPL derive strength from its experienced promoters, established track record of operations, reputed customer base, having a presence in niche segment of ozone-based environmental solutions. Ratings also derive strength from ORAIPL's healthy profitability margins, comfortable capital structure, debt coverage indicators, and adequate liquidity position.

However, ratings remain constrained considering its moderate scale of operations with modest order book position, customer concentration with dependence on tender-based government projects, working capital intensive operations, higher cost associated with ozone-based systems limiting its adoption, and competition from global players.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in scale of operations with healthy profitability resulting in cash accruals of over ₹40 crore on sustained basis.
- Managing working capital efficiently with improvement in gross current asset days to less than 200 days on a sustained basis.

Negative factors

- Significant decline in scale of operations below ₹100 crore or profit before interest, lease rentals, depreciation and taxation (PBILDT) margin below 15% on a sustained basis.
- Deterioration in the capital structure with overall gearing exceeding unity level on a sustained basis.
- Significant elongation in working capital cycle on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The "Stable" outlook reflects CareEdge Ratings' belief that ORAIPL will continue to benefit from its established presence in the ozone-based solutions industry catering to a reputed customer base which shall enable the company to sustain its operational performance over the medium term.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Detailed description of key rating drivers

Key strengths

Established track record of operations with promoters' extensive experience specialising in ozone-based treatment systems, and reputed clientele

ORAIPL was promoted by Rajesh Admane and Vishal Waindeswar having over two decades of experience in the ultra-filtration and ozone-based water treatment solutions. Directors are also supported by qualified second line of management having adequate experience in their respective fields. ORAIPL also has an in-house Research and Development (R&D) wing, which solely works on the applications of ozone and advanced oxidation processes. Over the years, the company has maintained long-standing relations with its customers, suppliers, and stakeholders. As a result, the company's customer profile comprises reputed entities belonging to both, government and private sectors.

Established presence in niche market

ORAIPL's existence in the niche market in the specialised field of ozone-based water and wastewater treatment solutions, where competition is relatively limited compared to conventional water treatment businesses. The company provides ozone generators and complete ozonation systems for applications such as sewage treatment, industrial wastewater treatment, municipal water treatment, drinking water disinfection, lake remediation, and air purification. Its long operating track record, technical expertise, and ability to offer end-to-end solutions including design, manufacturing, installation, and maintenance create high entry barriers for new players. Increasing environmental regulations and growing demand for advanced water treatment technologies support the company's business prospects, while recurring income from operation and maintenance (O&M) services enhances revenue stability and customer retention.

Healthy profitability margins

The profit margins of the company have been consistently improved in the last four years ended FY26 supported by strong growth in scale of operations. PBILDT margin has improved to 26.01% in FY26 (against from 24.82% in FY25 and 12.89% in FY24) driven by higher execution of integrated engineering, procurement, and construction (EPC) contracts in the period including design, engineering, supply, installation, testing, and commissioning at customer site location, which fetches higher realisation and resulted in higher profit margins. The same was also supported by higher in-house manufacturing, and an improved product mix. The company offers specialised ozone-based technology products, which are customised per client specifications and being into niche segment, ORAIPL commands higher profit margins. With improvement in the PBILDT margin, profit after taxation (PAT) margin also improved to 18.35% in FY26 (17.28% in FY25 and 6.97% in FY24). Going forward, the company expects to maintain healthy profit margins, supported by a robust pipeline of high-value EPC contracts and growing demand for ozone-based treatment systems and advanced oxidation process solutions across industries.

Comfortable capital structure and debt coverage indicators

ORAIPL's capital structure stood comfortable, as marked by an overall gearing of 0.21x as on March 31, 2026 (0.44x as on March 31, 2025) due to lower reliance on external debt. Its debt profile largely comprised working capital and inter corporate deposits. The total outside liabilities to tangible net worth also stood comfortable at 1.21x as on March 31, 2026 (over 2.16x as on March 31, 2025). Due to its lower reliance on external debt and higher cash accruals, debt coverage indicators remained healthy with the total debt / PBILDT stood at 0.38x in FY26 (against 0.71x in FY25). With improvement in profitability, PBILDT interest coverage also remained healthy at 35.62x in FY26 against 23.50x in FY25. Although debt levels are expected to increase due to the ongoing capex and increase in the working capital requirements. The company's capital structure is expected to remain comfortable over the medium term, supported by healthy cash accruals.

Key weaknesses

Moderate scale of operations and modest order book position

Overall scale of operations remained moderate marked by total operating income (TOI) stood in the range of ₹39.70 crore to ₹130.31 crore in FY22 to FY26. TOI grew by 41.51% to ₹130.31 crore in FY26 from ₹92.08 crore in FY25. The significant growth in the company's scale in FY26 was driven by strong execution of its order book, increasing demand for ozone-based water and wastewater treatment solutions, and rising government focus on environmental compliances and water reuse projects. Recurring O&M revenue and enhanced in-house manufacturing capabilities supported overall revenue growth. In Q1FY27, company reported TOI of ₹10.41 crore. Given this, tangible net worth base also stood moderate at ₹60.74 crore as on March 31, 2026 (against ₹36.80 crore as on March 31, 2025). The company has a moderate unexecuted order book position of ₹91 crore as on June 30, 2026, providing moderate revenue visibility over near term. However, successful award of the bided orders remains critical for the revenue visibility over medium term.

Customer concentration with dependence on tender-based government projects
ORAIPL's revenue profile remains highly concentrated, with its top five customers contributing 85% of TOI in FY26 with Maharashtra State Power Generation Company Limited (MAHAGENCO) was the single-largest customer, accounting 33% of FY26 TOI. Such dependence on a limited number of large government and public sector clients exposes the company to customer concentration risk, including potential revenue volatility arising from project postponements, order cancellations, slower order inflows, or delays in payments.

However, this risk is partially mitigated by ORAIPL's established relationships and registrations with government departments, public sector undertakings (PSUs), and municipal bodies across India. Comfort is derived from the company's expanding order pipeline across diverse sectors and geographies. Demand for water and wastewater treatment solutions is also primarily driven by stringent environmental regulations and compliance requirements, which lends stability to the sector and supports the company's long-term business prospects.

Working capital intensive operations
Operations are working-capital intensive, largely reflecting the government and PSU-dominated client base, which typically entails extended payment cycles and retention money that remains locked until project commissioning. The same reflected in a gross current asset period of 312 days in FY26 (against 413 days in FY25). The average collection period remained stretched at the year-end due to the concentration of revenue recognition in the last quarter, with over 85% of annual revenue being booked in Q4FY26. As a result, the average collection period increased to 214 days in FY26 (over 189 days in FY25). However, collection risk is mitigated to an extent as a significant portion of these receivables is realised in the subsequent quarters. Given its long-standing relationships with reputed clients, ORAIPL extends liberal credit terms with average creditors period stood high at 172 days in FY26 (against 146 days in FY25). The inventory period remained low as the company purchased order backed inventory with higher project execution happened in the last quarter. Consequently, working capital cycle stood moderate at 49 days in FY26 (over 55 days in FY25).

Higher cost associated with ozone-based systems limiting its adoption and competition from global players
Ozone-based treatment systems can achieve significantly higher levels of disinfection compared to conventional chlorination and ultra violet (UV)-based treatment methods. However, adoption of this technology is constrained by its relatively higher capital and maintenance costs. In addition, highly contaminated wastewater streams may require primary treatment prior to ozone application, which can increase overall project costs. The technology is witnessing increasing acceptance owing to its environmentally friendly nature, as it does not generate harmful residuals or by-products.

Although ORAIPL operates in a niche segment with specialised expertise in ozone-based water and wastewater treatment solutions, it faces competition from established multinational players, particularly from Germany and China. However, the company's competitive position is expected to benefit from the Government of India's Make in India initiative, which promotes domestic manufacturing and supports local suppliers in industrial and infrastructure projects. Going forward, ORAIPL's ability to efficiently execute larger and higher-value orders, while maintaining operational and financial discipline, will remain critical for sustaining growth, enhancing its market position, and improving overall business performance.

Liquidity: Adequate
Liquidity remained adequate characterised by sufficient cushion in gross accruals against its low debt repayment obligations of ₹0.55 crore for FY27. The free cash and bank balance stood at ₹5.09 crore as on March 31, 2026 (against ₹0.09 crore as on March 31, 2025). The current ratio remained comfortable at 1.62x as on March 31, 2026, compared to 1.36x as on March 31, 2025. Maximum average utilisation of working capital limits stood moderate at ~73.29% for 12-months ended June 2026. Maximum average utilisation of bank guarantee limit remained at 83.51% for 12 months ended on June 2026. Cash flow from operating activities stood positive of ₹16.42 crore in FY26 (against negative ₹3.73 crore in FY25).

Applicable criteria
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Manufacturing Companies
Service Sector Companies
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Utilities	Utilities	Other utilities	Water supply & management

ORAIPL was originally established in 1996 as a partnership firm by Rajesh Admane and Vishal Waindeskar, which was later converted to private limited company under the name ORAIPL in 2002. The company provides environmental engineering solutions and specialises in ozone-based water and air treatment systems and advanced oxidation processes. It is an ISO 9001:2008 certified company engaged in the design, manufacture, and supply of ozone generators, ozonation systems, ozone destructors, static mixers, automatic air-vent valves, and related accessories. ORAIPL's manufacturing facility is located at the MIDC Nagpur in Maharashtra. Apart from manufacturing equipment, ORAIPL also offers services such as laboratory testing, pilot studies, on-site testing, engineering support, process design, application consulting, equipment selection, installation, and after-sales support in the same business activities. It also engaged in manufacturing and installation of Green Hydrogen plants and electrolysers.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)	June 30, 2026 (UA)
Total operating income	92.08	130.31	10.41
PBILDT*	22.85	33.89	NA
Profit after tax (PAT)	15.91	23.91	NA
Overall gearing (x)	0.44	0.21	NA
Interest coverage (x)	23.50	35.62	NA

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

Status of non-cooperation with previous CRA: CRISIL continued the rating assigned to bank facilities of ORAIPL under Issuer Not Cooperating category vide press release dated August 22, 2025, considering its inability to carry out a review in the absence of the requisite information from the company.

Any other information: Nil

Rating history for last three years: Annexure-2

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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/ ST-CC/PC/Bill Discounting	RBI	Simple	-	-	-	-	7.00	CARE BBB-; Stable / CARE A3
Non-fund-based - LT-Bank Guarantee	RBI	Simple	-	-	-	-	20.00	CARE BBB-; Stable

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 2026-2027	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
1	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	7.00	CARE BBB-; Stable / CARE A3	-	1)CARE B; Stable / CARE A4; ISSUER NOT COOPERATING* (30-Apr-25)	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING* (26-Apr-24)	-
2	Non-fund-based - LT-Bank Guarantee	LT	20.00	CARE BBB-; Stable	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (30-Apr-25)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (26-Apr-24)	-

*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: Lender details

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

Annexure-5: 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.

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About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

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