

October 08, 2025

Chakrapani Vyapaar Private Limited: Rating assigned

Summary of rating action

Instrument*	Current rated amount (Rs. crore)	Rating action
Long term - Fund based - Cash credit	95.00	[ICRA]BB+ (Stable); assigned
Long term - Fund based - Working capital term loan	10.00	[ICRA]BB+ (Stable); assigned
Total	105.00	

*Instrument details are provided in Annexure I

Rationale

The rating assigned to Chakrapani Vyapaar Private Limited (CVPL) reflects the extensive experience of the promoters in the polymer trading industry, its strong presence in southern India and the long-standing relationships with both customers and major domestic suppliers. In FY2025, CVPL recorded a healthy YoY revenue growth of approximately 12%, driven by increased volumes, although the realisations declined. In 5M FY2026, the company reported revenues of Rs. 487 crore. ICRA also takes note of the management's commitment to support the liquidity through the infusion of unsecured loans, as needed, to meet the working capital requirements. Additionally, the rating factors in the favourable long-term outlook for polymer imports, backed by a domestic supply-demand mismatch.

However, the rating is constrained by moderate leverage and coverage indicators, primarily due to elevated working capital borrowings. The interest coverage ratio improved slightly to 1.5x in FY2025 from 1.3x in FY2024, but remains modest. Further, the debt service coverage ratio (DSCR) remains modest at 1 times in FY2025. The total outside liabilities to tangible net worth (TOL/TNW) stood at 3.3x as on March 31, 2025, compared to 4.8x in the previous year. The rating also factors in CVPL's low profitability, inherent to its trading business model, and its exposure to raw material price volatility, intense market competition and regulatory risks.

The Stable outlook reflects ICRA's expectation that CVPL will continue to benefit from the promoter's industry expertise and established relationships with customers and domestic suppliers.

Key rating drivers and their description

Credit strengths

Extensive experience of promoter group in polymer trading industry - Incorporated in 1995, CVPL has developed extensive expertise spanning over three decades in polymer trading. CVPL benefits from financial support in the form of unsecured loans from other Group entities.

Established relationship with customers and suppliers - CVPL enjoys established relationships with domestic suppliers such as Haldia Petrochemicals Ltd., Gail (India) Ltd., Indian Oil Corporation Ltd., ONGC Petro Additions Ltd., etc. Its customers are mainly polymer traders and processors, with some of them providing repeat orders.

Favourable long-term demand for polymers - The long-term domestic demand outlook remains favourable and is likely to be sustained by an increased demand from the end-user industries such as automobiles, FMCG, packaging and pharmaceuticals.

While higher domestic supply has increased the competitive pressure, it still lags behind demand and the import dependence is expected to continue.

Credit challenges

Low profitability levels and moderate leverage and coverage indicators - The company's profitability was modest with its OPM and NPM in the range of 1.5%-2% and 0.3-0.4%, respectively, in the last few years due to the low value-added nature of the trading operations. The interest coverage ratio slightly improved to 1.5 times in FY2025 compared to 1.3 times in FY2024, but remains moderate. The debt service coverage ratio (DSCR) remained modest at 1 times in FY2025. In FY2025, the repayment of unsecured loans and reduced working capital utilisation helped improve the gearing ratio to 1.5x compared to 2.5x in FY2024. The TOL/TNW stood at 3.3x as on March 31, 2025 (PY: 4.8x).

Susceptible to volatility in crude prices and changes in Government policies - CVPL's revenue and margins are susceptible to fluctuations in polymer prices. Further, its performance is vulnerable to changes in Government policies, especially pertaining to the duty structure.

Limited pricing flexibility due to low entry barriers and intense competition - CVPL faces intense competition from larger domestic manufacturers and organised/unorganised traders, with the industry characterised by low entry barriers, which limits the company's pricing flexibility.

Liquidity position: Stretched

CVPL's liquidity is stretched, reflected in the high fund-based working capital utilisation of ~97% for the past 15 months ended August 31, 2025, limited buffer and low cash balances available. Further, it has a repayment obligation of Rs. 4-5 crore during FY2026 and FY2027. However, the infusion of unsecured loans from promoters, as and when required, would support the liquidity, going forward.

Rating sensitivities

Positive factors – ICRA could upgrade the rating if the company maintains a healthy scale while improving the profitability, debt metrics and liquidity position.

Negative factors – ICRA could downgrade the rating if the company demonstrates a sustained decline in its scale and profitability or weakening of the debt metrics and liquidity position.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Chakrapani Vyapar Private Limited (CVPL), incorporated in 1995, operates out of Bengaluru, Karnataka. The company is engaged in the trading of different types of polymers, including low-density polyethylene (LDPE), high-density polyethylene (HDPE), linear low-density polyethylene (LLDPE) fillers, PVC (poly vinyl chloride), polypropylene, etc. It is present in 33 locations all over the country, including 18 warehouses/godowns and remaining locations are through agents.

Key financial indicators (audited)

	FY2023	FY2024	FY2025*
Operating income	1,252.5	1,068.6	1,192.7
PAT	3.3	3.8	4.6
OPBDIT/OI	1.3%	1.9%	1.5%
PAT/OI	0.3%	0.4%	0.4%
Total outside liabilities/Tangible net worth (times)	4.3	4.8	3.3
Total debt/OPBDIT (times)	9.3	6.7	5.1
Interest coverage (times)	1.6	1.3	1.5

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; *Provisional

Status of non-cooperation with previous CRA:

CRA	Date	Ratings
CARE	February 28, 2025	CARE BB; Stable; ISSUER NOT COOPERATING; Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category

Any other information: None

Rating history for past three years

Current (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Oct 08, 2025	Date	Rating	Date	Rating	Date	Rating
Fund based - Cash credit	Long term	95.00	[ICRA]BB+ (Stable)	-	-	-	-	-	-
Fund based - Working capital term loan	Long term	10.00	[ICRA]BB+ (Stable)	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund based - Cash credit	Simple
Long term - Fund based - Working capital term loan	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Long term - Fund based - Cash credit	NA	NA	NA	95.00	[ICRA]BB+ (Stable)
NA	Long term - Fund based - Working capital term loan	NA	NA	NA	10.00	[ICRA]BB+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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