December 02, 2025

Haresh Overseas Private Limited: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term-Fund-based-Cash credit	5.00	5.00	[ICRA]B+ (Stable); reaffirmed
Short-term-Non-fund based-Letter of credit	34.37	38.00	[ICRA]A4; reaffirmed/assigned for enhanced amount
Long-term-Fund-based-Unallocated limits	0.92	-	-
Total	**40.29**	**43.00**	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation of Haresh Overseas Private Limited (HOPL) reflects the extensive experience of its promoters in the petrochemical and speciality chemical trading business, and the company's established and prominent customer base, which ensures repeat orders. ICRA notes the decline in operating revenue over the past two years, driven by lower realisations due to falling raw material prices and reduced sales volumes; however, it is expected to remain largely stable going forward.

The ratings remain constrained by HOPL's relatively small scale of operations and elevated leverage, with TOL/TNW at 5.1 times as on March 31, 2025, primarily due to stretched creditor days. The company's scale is further constrained by fully utilised working capital limits. Profitability remains vulnerable to volatility in chemical prices and foreign exchange fluctuations, given that the entire traded portfolio is imported. Intense competition from both organised and unorganised players in the petrochemical trading industry also restricts pricing flexibility. Furthermore, the company's profitability is inherently exposed to currency risks because of significant imports, although modest export volumes provide a partial natural hedge.

The Stable outlook indicates ICRA's expectation that HOPL will continue to derive benefits from the promoters' extensive industry experience, its established customer relationships, and sustained demand for its products.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters – HOPL's promoters have been active in the petrochemical and speciality chemical industry for more than four decades. Their extensive experience and expertise have helped HOPL in maintaining long relationships with established overseas suppliers.

Established relationships with reputed clientele translate into repeat orders – HOPL serves key end-user industries such as surfactants, laminates and paints, which form the backbone of its trading operations. The company maintains strong relationships with reputed customers, including Birla Paints, which contributed approximately 24% of its revenue in FY2025; Pine Laminates Private Limited, contributing 8%; and Makvale Acrylics Pvt. Ltd., accounting for around 6% of revenue during the same period. Exports constituted a modest 5% of total revenue in FY2025, with shipments made to customers in Sri Lanka, Lebanon and the UAE. Overall, the company derived nearly 69% of its revenue from its top 10 customers, indicating a moderately concentrated yet stable customer base. This concentration underscores the importance of maintaining strong client relationships while also highlighting the scope for further diversification to mitigate dependency risks.

Credit challenges

Small scale of operations, adverse capital structure and moderate debt coverage indicators – HOPL's scale of operations remains modest, with operating income showing a YoY decline in FY2024 and FY2025. The company reported revenue of Rs. 93.3 crore in FY2025, down from Rs. 100.9 crore in FY2024, primarily due to a significant 25% drop in sales volumes on account of weak demand. This decline was partially offset by an improvement of around 22% in realisations during FY2025, driven by higher raw material prices. Despite this, the company's financial risk profile remains average, marked by a modest net worth of Rs. 8.1 crore and an adverse capital structure. HOPL relies heavily on creditor funding, resulting in elevated outside liabilities, as reflected in a TOL/TNW ratio of 5.1 times as on March 31, 2025. Looking ahead, leverage and debt protection metrics are expected to remain under pressure, given constrained operating margins and the company's limited ability to scale up without additional working capital support.

Profitability exposed to volatility in raw material prices and forex rates – HOPL's profit margins remain low due to its trading-based operations and are highly vulnerable to commodity price cycles. Prices fluctuate in line with global demand-supply trends and crude oil movements, exposing margins to volatility. While purchases are largely order-backed, some sales are conducted on an open basis, adding inventory risk. Since most chemicals are imported from Singapore, China and the USA, and exports form only a small share of revenue, the company faces significant foreign exchange risk in the absence of a strong natural hedge.

Intense competition in fragmented trading business – The chemical trading industry is highly competitive, marked by the presence of numerous players across both organised and unorganised segments. This intense competition limits HOPL's pricing flexibility and bargaining power with customers, as buyers have multiple sourcing options. Consequently, the company operates in a low-margin environment where profitability is largely dependent on efficient procurement and cost management rather than pricing advantages.

Liquidity position: Stretched

The company's liquidity position continues to be stretched, given fully utilised working capital limits towards raw material procurement by way of letter of credit (LC) and it has sizeable LC maturities of Rs. 15-16 crore monthly in the near term. Further, the company's debt-servicing ability entirely depends on the timeliness of receivable receipts, given the almost full utilisation of its working capital limits. The average utilisation of the cash credit limit remains at 52% in the 12-month period ending September 2025. The company has maintained a cash margin of Rs. 5.1 crore in the bank for LC and has a free cash balance of Rs. 6.3 crore as on March 31, 2025, to provide for further working capital requirements. Although unsecured loans have remained modest, the promoters will infuse unsecured funds as and when required. There are no major capex plans or debt repayments in the near term.

Rating sensitivities

Positive factors – ICRA could upgrade HOPL's ratings if the company demonstrates an increase in its scale and profit margins, leading to improvement in debt protection metrics and liquidity position on a sustained basis.

Negative factors – Pressure on HOPL's ratings could arise if there is a deterioration in the company's scale and profit margin, or if any stretch in the working capital cycle adversely impacts the key credit metrics and liquidity position on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the company's standalone financial profile

About the company

HOPL, incorporated in 1983, has its headquarters in Mumbai (Maharashtra), with branch offices in Cochin (Kerala), Gandhidham (Gujarat) and Jodhpur (Rajasthan). The company is managed by Mr. Kailash S. Kasat. HOPL is involved in the trading, marketing and distribution of petrochemicals and solvents.

Key financial indicators (audited)

HOPL	FY2024	FY2025
Operating income	100.9	93.3
PAT	-0.5	0.8
OPBDITA/OI (%)	0.0%	2.1%
PAT/OI (%)	-0.5%	0.9%
Total outside liabilities/Tangible net worth (times)	5.6	5.1
Total debt/OPBDITA (times)	191.6	2.5
Interest coverage (times)	0.0	1.2

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Dec 02,2025	Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long Term	5.00	[ICRA]B+ (Stable)	Oct 04, 2024	[ICRA]B+ (Stable)	Oct 09, 2023	[ICRA]B+ (Stable)	Jul 19, 2022	[ICRA]B+ (Stable)
Letter of Credit	Short Term	38.00	[ICRA]A4	Oct 04, 2024	[ICRA]A4	Oct 09, 2023	[ICRA]A4	Jul 19, 2022	[ICRA]A4
Unallocated Limits	Long Term	-	-	Oct 04, 2024	[ICRA]B+ (Stable)	Oct 09, 2023	[ICRA]B+ (Stable)	Jul 19, 2022	[ICRA]B+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term -Fund based -Cash credit	Simple
Short term -non-fund based -Letter of credit	Very 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	5.00	[ICRA]B+ (Stable)
NA	**Short term - Non-fund based -Letter of credit**	NA	NA	NA	38.00	[ICRA]A4

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

ANALYST CONTACTS

Jitin Makkar
+91 124 4545 368
jitinm@icraindia.com

Uday Kumar
+91 124 4545 867
uday.kumar@icraindia.com

Ronak Vadher
+91 22 6169 3341
ronak.vadher@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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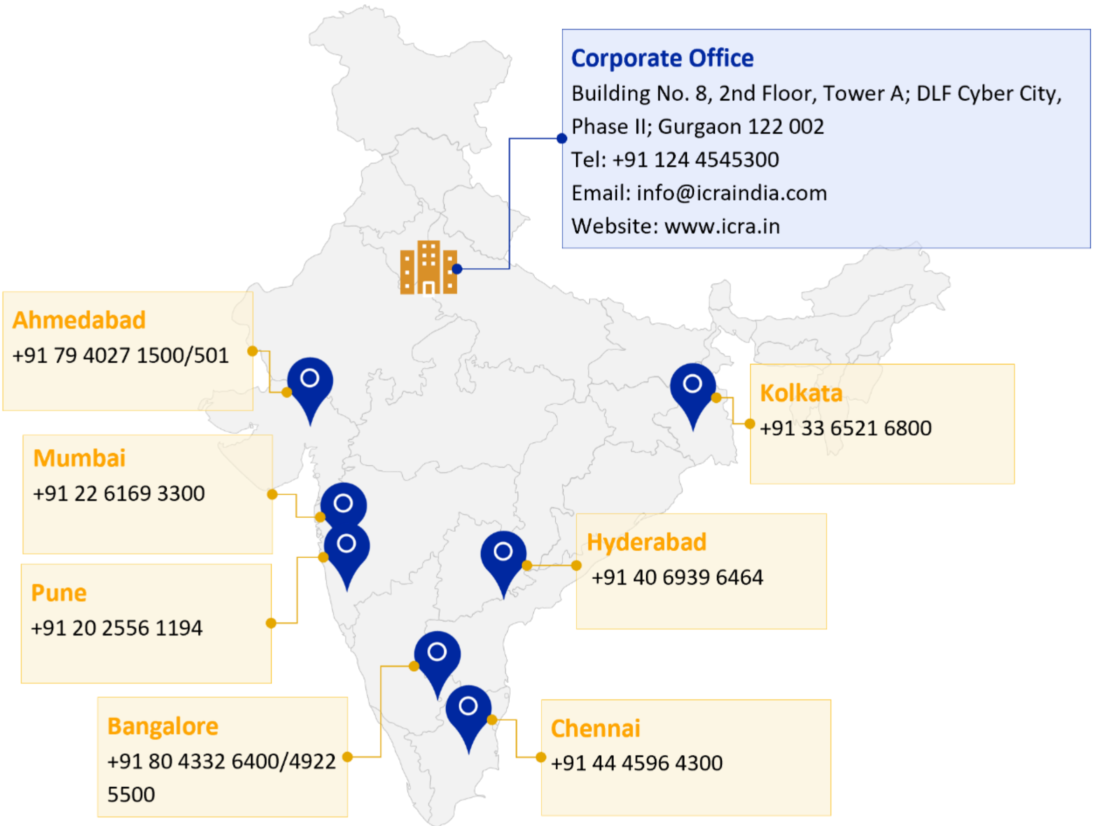
For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches



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