

December 12, 2025

## K. Rasiklal Exim Pvt. Ltd.: Rating upgraded to [ICRA]BB+ (Stable)/[ICRA]A4+; removed from Issuer Not Cooperating; 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	-	20.00	[ICRA]BB+ (Stable); assigned
Short-term – Non-fund based	23.50	15.00	[ICRA]A4+; upgraded from [ICRA]A4 ISSUER NOT COOPERATING; removed From ISSUER NOT COOPERATING
Long-term – Interchangeable – Others	(5.00)	(20.00)	[ICRA]BB+ (Stable); upgraded from [ICRA]B+(Stable) ISSUER NOT COOPERATING; removed from Issuer Not Cooperating category/assigned for enhanced amount
Short-term- Interchangeable – Others	(15.00)	(10.00)	[ICRA]A4+; upgraded from [ICRA]A4 ISSUER NOT COOPERATING; removed from Issuer Not Cooperating
<b>Total</b>	<b>23.50</b>	<b>35.00</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The ratings upgrade of K. Rasiklal Exim Pvt. Ltd.'s (KREPL), along with its removal from the 'Issuer Not Cooperating' category, is based on the availability of adequate information to carry out a detailed credit assessment. The ratings reflect the extensive experience of its promoters in chemical trading and its long operational track record. The company has a diversified product portfolio of over 70–80 chemicals, which is supported by established relationships with customers across industries such as pharmaceuticals, aroma and fragrance, paints and construction, agrochemicals and resins. These strengths have enabled it to maintain a broad customer base, with the top 10 customers contributing around 19% of revenues in FY2025, indicating low customer concentration risk. The revenues have remained range-bound at Rs. 130-140 in the last three years, primarily due to fluctuating raw material prices and sales volume.

However, the ratings are still constrained by working capital-intensive operations, due to elevated receivables, which necessitate reliance on creditors for working capital funding. The profitability continues to be exposed to volatility in the chemical prices and foreign exchange fluctuations, given the predominance of imported products in the trading portfolio. The profit margins remain modest due to the trading nature of operations and limited pricing flexibility amid intense competition. The Stable outlook on the long-term rating reflects ICRA's expectation that KREPL will continue to benefit from its promoters' experience, diversified product portfolio and established customer relationships, which will support sustained demand for its products.

### Key rating drivers and their description

#### Credit strengths

**Extensive experience of promoters in chemical trading business** – KREPL was originally set up as a proprietorship firm in 1966 under the name K. Rasiklal and Company. It was subsequently converted into a private limited entity in 2000 and renamed K. Rasiklal Exim Pvt. Ltd. The company is led by Mr. Atul Shah, who has been associated with the business since 1990 and has over three decades of industry experience.

**Wide product portfolio along with a diversified customer base reduces concentration risk** – KREPL has a broad portfolio of 70–80 chemicals, allowing flexibility in its sales mix based on demand trends and reducing reliance on a limited set of products or a single industry. While the pharmaceutical, aroma and fragrance and paints and construction sectors account for the majority of revenue, the company also serves other segments such as dyes and dyestuffs, agrochemicals and resins. This diversification provides a degree of insulation against adverse conditions in any one industry. The customer base has remained well-diversified over the years, with the top ten customers contributing around 20% and 19% of total sales in FY2024 and FY2025, respectively.

### Credit challenges

**Moderate scale of operations** – KREPL’s scale of operations remains comparable to that of an average industry player, limiting its ability to derive significant economies of scale and pricing flexibility. The company reported a muted revenue growth of 4.3%, achieving Rs. 137.5 crore in FY2025 against Rs. 131.8 crore in FY2024, primarily driven by higher sales volumes. However, the revenues have remained range-bound between Rs. 130-140 crore in the last three years, owing to fluctuations in raw material prices—a trend expected to persist in the near term due to oversupply in the market. Consequently, the company’s financial risk profile is still modest, primarily due to its low profit margins, with a moderate net worth base. However, the interest coverage continues to be comfortable at around 3.8 times in FY2025, supported by low utilisation of fund-based working capital limits.

**High working capital intensity due to high debtor levels** – KREPL’s working capital cycle remains moderately high, with net working capital/operating income (NWC/OI) at 27.4% in FY2025, up from 20.9% in FY2024, primarily driven by an increase in debtor days to 98 in FY2025 from 95 in FY2024 due to extended credit offered to customers amid intense competition in FY2025. Additionally, the majority of its procurement is imported and largely backed by a 90-day letter of credit (LC) and the company carries significant payables, which partially offsets the impact of high receivables but continues to exert pressure on its liquidity.

**Low profitability owing to trading nature of operations and high competitive intensity of industry** – KREPL’s profit margins remain low and volatile due to its trading-based business model, making them highly sensitive to commodity price cycles. The price movements are influenced by the global demand-supply dynamics and crude oil trends, which has kept the profit margins volatile. While most purchases are order-backed, certain sales are executed on an open basis as well, adding inventory risk. Additionally, with a large share of chemicals being imported, the company faces substantial foreign exchange risk in the absence of adequate hedging. Furthermore, the chemical trading industry is intensely competitive, with numerous small players, which limits pricing flexibility.

### Liquidity position: Adequate

The company’s liquidity position remains Adequate, supported by free cash and bank balances of Rs. 14.3 crore as on March 31, 2025. It has sanctioned working capital limits (fund-based and non-fund based) of Rs. 35 crore, with average utilisation of around 25% over the past 12 months ending in September 2025. The company has substantial working capital in the form of LC for raw material procurement. KREPL has no major long-term debt obligations and does not foresee any significant capital expenditure in the near term. The promoters have infused Rs. 5.3 crore as unsecured funds to meet working capital requirements and remain committed to providing additional support, if necessary.

### Rating sensitivities

**Positive factors** – ICRA could upgrade KREPL’s ratings if there is a material improvement in its scale and profit margins, leading to improvement in credit metrics and liquidity position on a sustained basis.

**Negative factors** – The ratings may be downgraded if there is a material decline in company’s scale and operating margins, or any stretch in the working capital cycle impacting the company’s credit metrics and liquidity position on a sustained basis. Specific credit metrics, include Interest coverage below 2.4 times on a sustained basis could lead to pressure on ratings.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

## About the company

Established in 1966 as a proprietorship firm and converted into a private limited company in 2000, K. Rasiklal Exim Private Limited (KREPL) is engaged in the trading of a wide range of chemicals. These chemicals are primarily imported and have applications across diverse industries, including pharmaceuticals, aroma and fragrance, paints and construction, agrochemicals and resins. Headquartered in Mumbai, the company is currently managed by Mr. Atul Shah, who has been actively associated with the business since 1990 and brings extensive industry experience.

### Key financial indicators (audited)

KREPL (standalone)	FY2024	FY2025*
Operating income	131.8	137.5
PAT	3.1	3.2
OPBDITA/OI (%)	2.3%	3.3%
PAT/OI (%)	2.4%	2.3%
Total outside liabilities/Tangible net worth (times)	0.9	1.1
Total debt/OPBDITA (times)	4.5	4.6
Interest coverage (times)	1.6	3.8

Source: Company, ICRA Research; \* Provisional numbers; 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

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. Crore)	Dec 12, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long term	20.00	[ICRA]BB+ (Stable);	-	-	-	-	-	-
Non-fund based – Others	Short term	15.00	[ICRA]A4+	Sep 27, 2025	[ICRA]A4; Issuer Not Cooperating	Aug 30, 2023	[ICRA]A4; Issuer Not Cooperating	June 30, 2022	[ICRA]A4+
						Jun 22, 2023	[ICRA]A4; Issuer Not Cooperating	-	-
Interchangeable – Others	Short term	(10.00)	[ICRA]A4+	Sep 27, 2025	[ICRA]A4; Issuer Not Cooperating	Aug 30, 2023	[ICRA]A4; Issuer Not Cooperating	[ICRA]A4+	[ICRA]A4+
				-	-	Jun 22, 2023	[ICRA]A4+; Issuer Not Cooperating	-	-
Interchangeable – Others	Long term	(20.00)	[ICRA]BB+ (Stable)	Sep 27, 2025	[ICRA]B+ (Stable); Issuer Not Cooperating	Aug 30, 2023	[ICRA]B+ (Stable); Issuer Not Cooperating	[ICRA]BB+ (Stable)	[ICRA]BB+ (Stable)
				-	-	Jun 22, 2023	[ICRA]BB+ (Stable); Issuer Not Cooperating	-	-

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Short-term – Non-fund based	Simple
Long-term – Interchangeable – Others	Simple
Short-term – Interchangeable – Others	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	Cash credit	NA	NA	NA	20.00	[ICRA]BB+ (Stable)
NA	Non-fund based – Others	NA	NA	NA	15.00	[ICRA]A4+
<b>NA</b>	Short-term – Interchangeable – Others	NA	NA	NA	(10.00)	[ICRA]A4+
<b>NA</b>	Long-term-Interchangeable – Others	NA	NA	NA	(20.00)	[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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## ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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