

September 19, 2025

Paliwal Overseas Pvt. Ltd.: Update on Entity

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long Term - Fund Based – Term Loan	10.58	10.58	[ICRA]A (Stable)
Long Term – Unallocated Limits	52.59	52.59	[ICRA]A (Stable)
Total	63.17	63.17	

*Instrument details are provided in Annexure I

Rationale

For arriving at the rating, ICRA has consolidated the financials of three entities of the Avinash Paliwal Group (referred to as the Paliwal Group or the Group, hereafter), namely Abhitex International (Abhitex), Paliwal Overseas Pvt. Ltd. (POPL) and Paliwal Infrastructure Pvt. Ltd. (PIPL).

Indian exporters have been navigating a turbulent trade environment, with recent tariff hikes by the US threatening to reshape long-standing business dynamics. The latest round of US tariffs, effective August 27, 2025, has added a punitive 25% duty on select Indian goods, pushing the effective tariff burden to 60-70% for some categories, combined with the pre-existing levies. This escalation places Indian exporters at a disadvantage compared to the competitors in East and Southeast Asia, which face lower tariff rates.

ICRA expects Abhitex's business to be impacted by the turbulent trade environment, with most of its products falling under the higher tariff categories. Abhitex derives around 90% of its revenues from exports to the US. Besides, the Group derives lease rentals of Rs.60-70 crore per annum from POPL and PIPL.

According to management discussions, Abhitex has been actively negotiating with its customers to pass on the increased tariff costs, and the firm is also implementing various cost optimisation measures to support its margins. Besides, implementation of the trade agreement with the UK, supporting an increase in trade volumes to the UK is likely to moderate the impact of the US tariff to an extent.

ICRA notes these developments and their potential impact on Abhitex's revenues and profitability, as the entire tariff burden may be difficult to pass on to the downstream stakeholders. If the recently imposed tariffs continue, ICRA expects revenues and margins of Abhitex to moderate in H2 FY2026. In 5M FY2026, Abhitex has registered export revenues of Rs. 200 crore against Rs.278 crore in FY2025. Nevertheless, the established track record of the Paliwal Group with its diversified presence across textile and real estate businesses and a healthy financial risk profile are likely to support its credit profile and help the entity withstand any near-term adverse impact arising out of the ongoing situation. Nonetheless, ICRA will continue to monitor developments in this regard and take appropriate rating action, if necessary.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities and Key financial indicators: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Textile - Fabric Realty - Lease Rental Discounting (LRD)
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the rating, ICRA has consolidated the financials of various Group entities (as mentioned in Annexure-II) given the close ownership, financial and managerial linkages among them. There are cross holdings among the three entities as POPL owns a ~42% stake in PIPL and PIPL is a partner in Abhitex. The companies have also extended corporate guarantees in favour of Group companies. Further, the cash flows are also supported by other companies, if required, indicating strong cash fungibility

About the company

POPL was incorporated in 1985 by Mr. Avinash Paliwal to undertake operations in the textile sector. POPL purchased a commercial property in Bengaluru in 2004 and since then it is involved in the business of leasing commercial office space. The building has a 100% occupancy at present with leases to reputed companies. POPL deploys surplus funds from the business to other real estate ventures of the Avinash Paliwal Group.

About the group

POPL is a part of the Avinash Paliwal Group of Panipat, which has business interests in home textiles and real estate sectors. The Group is promoted by Mr. Avinash Paliwal, who has more than four decades of experience in manufacturing and exporting of textile products. The key operations of the Group are carried out by three entities, namely Abhitex, POPL and PIPL. While Abhitex operates in the home textiles space, POPL and PIPL own commercial buildings.

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							
					FY2026		FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating		
Term Loan	Long-Term	10.58	Sep 19, 2025	[ICRA]A (Stable)	Mar 28, 2025	[ICRA]A (Stable)	-	-	Feb 23, 2023	[ICRA]A (Stable)		
					Apr 2, 2024	[ICRA]A (Stable)	-	-				
Unallocated Limits	Long-Term	52.59	Sep 19, 2025	[ICRA]A (Stable)	Mar 28, 2025	[ICRA]A (Stable)	-	-	Feb 23, 2023	[ICRA]A (Stable)		
					Apr 2, 2024	[ICRA]A (Stable)	-	-				

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term - Fund Based – Term Loan	Simple
Long Term – Unallocated Limits	Not Applicable

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 – Term Loan	FY2018-FY2023	NA	FY2023-FY2028	10.58	[ICRA]A (Stable)
NA	Long Term – Unallocated Limits	NA	NA	NA	52.59	[ICRA]A (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

Company name	Ownership	Consolidation approach
Abhitex International	100% owned by promoters and Group entities	Full Consolidation
Paliwal Infrastructure Pvt. Ltd.	100% owned by promoters and Group entities	Full Consolidation
Paliwal Overseas Pvt. Ltd.	100% owned by promoters	Full Consolidation

Source: company

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