Columbia Petro Chem Private Limited

Aug 05, 2025

Ratings

Instrument/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term bank Facilities	75.00	IVR A+/Stable (IVR Single A Plus with Stable Outlook)	IVR A+/Stable (IVR Single A Plus with Stable Outlook)	Reaffirmed	Simple
Short Term bank Facilities	610.00	IVR A1 (IVR A One)	IVR A1 (IVR A One)	Reaffirmed	Simple
Total	**685.00**	**Rupees Six Hundred and Eighty-Five Crore Only**			

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings (IVR) has reaffirmed the long-term rating at IVR A+ with a Stable outlook and short-term rating at IVR A1 for the bank loan facilities of Columbia Petro Chem Private Limited (CPCPL or 'the company').

The rating reaffirmation of CPCPL continues to reflect the company's established operational track record and experienced management, wide application of the products & reputed clientele. The rating draws further comfort from the company's comfortable financial risk profile of the company backed by comfortable capital structure & debt protection metrics, liquidity remains adequate supported by comfortable interest service coverage ratio, absence of fixed-term liabilities, and low average utilization of sanctioned fund-based limits. In addition to that, company continues to have stable scale of operations despite fluctuation in the raw material price/price realization demonstrating resilience in its business model. However, these rating strengths are partially offset by low profit margins of the company, susceptibility of profitability to volatility in raw material prices and risk related to foreign exchange fluctuation as majority of the raw material base oil are imported.

The Stable outlook indicates a low likelihood of rating change in the medium term. IVR believes that the CPCPL's business & financials risk profile will be maintained over the medium term on the back of stable scale of operations.

IVR has principally relied on the standalone audited financial results of CPCPL up to 31 March 2024 (refers to 1 April 2023 to 31 March 2024), FY25 provisional financials (refers to 1 April 2024 to 31 March 2025) & projected financials from FY26 to FY28 (refers to 1 April 2025 to 31 March 2028), and publicly available information/clarifications provided by the company's management.

Key Rating Sensitivities:

Upward Factors

- Sustained growth in revenues while improving the profitability margins from the current level.
- Maintaining capital structure below 1x and sustained healthy debt protection metrics

Downward Factors

- Sizeable decline in the scale of operations resulting in moderation of profitability indicators & and non-achievability of projections by sizeable gap.
- Any significant rise in working capital intensity or unplanned capex/outflow leading to a deterioration in the capital structure & liquidity position of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Long track record and experienced management

The company has successful long track record of operations since 1987. CPCPL is the flagship company of the Halwasiya Group, promoted by Mr. Kuldeep Halwasiya and Mr. Pradeep Halwasiya. Mr. Kuldeep Halwasiya is the Chairman and Managing Director of the company and has nearly four decades of experience and another director, Mr. Rajdeep Halwasiya has around three decades of experience in petroleum speciality products. The directors are assisted by a qualified team of professionals to take care of overall business activities.

Wide application of the products and reputed clientele

CPCPL manufactures a wide range of pharmaceutical / food grade liquid paraffins and technical grade white oils from base oils. Liquid paraffins are widely used in medical formulations, ointments, laxatives, repository vaccines, hair oils, hair creams, cosmetics, facial creams and lotions, gelatin capsules, food preservatives, protective coatings for fruits and vegetables, veterinary preparations, egg preservatives and as secondary plasticizer in plastic and petrochemical industry. Technical grade white oils of wide viscosity range find usage in textile industry for non-staining lubrication, incense - perfume manufacture, plastic, paper and cosmetic industries and several oil-based formulations, lotions, shoe polish and petroleum jelly manufacturing industries. The company has established long term relationship with reputed clientele viz. Marico Group, Dabur India Limited etc and gets repeated order.

Comfortable capital structure and debt coverage indicators

The capital structure of the company remains comfortable, having overall gearing (Total debt/ Tangible Net Worth) & Total Outstanding Liability/Tangible Net Worth ratio (TOL/TNW) at 0.31x (PY:0.04x) and 1.76x (PY: 1.94x) at the end of March,2025 provisional. In addition to that, overall gearing & TOL/TNW on adjusted net worth is also comfortable at 0.32x & 1.81x in FY25 provisional respectively. Further, the comfort in ratio is backed by accretion of profit and healthy tangible net worth base at Rs. 235.92 crore as on March 31,2025 provisional (PY: Rs 221.54 crore). The debt protection metrics continue to be at comfortable level marked by interest service coverage ratio (ISCR) of 3.82x in FY25 provisional (PY: 3.60). The company has no fixed term liabilities, which further cushion the company ability to meets its debt obligations. In addition to that, total debt/EBITDA ratio increased to 2.62x in FY25 provisional (PY: 0.33x), owing to increase in the working capital utilization in the last quarter of fiscal year, but still, it is at comfortable level. Operating cycle of the company remained below 20 days due to higher payable period against inventory & debtor period. The company procures the raw materials from its suppliers and avails credit period up to 180 days against LC, while it allows average credit period 30 to 90 days to its customers, besides advance.

Stable scale of operation

The company continues to have stable/moderate scale of operations despite fluctuation in the raw material price & price realization. CPCPL registered total operating income of Rs. 1191.81 crore in FY25 provisional against Rs 1151.28 crore in FY24 (PY: 948.10 crore). Currently, the company registered improved revenue of ~Rs 324.54 in Q1FY26 against Rs 275.84 crore in Q1FY25.The company has maintained good rapport among reputed clientele and due to good track record, it gets repeat orders from customers, it had outstanding domestic order book of Rs 219.96 crore as on 21 July,2025 (excluding export orders) provides stable revenue visibility in short to medium term.

Key Rating Weaknesses

Low profit margins

The company's profitability margins continue to remain sub optimal though satisfactory considering the nature of business, The operating margins i.e. EBITDA margins (earnings before interest, taxes, depreciation, and amortisation), are relatively low at 2.38 % in FY25 provisional against 2.65 % in FY24, whereas PAT margins stood at 1.44 % in FY25 provisional against 1.26% in FY24. The volatility in the EBITDA margins is due to fluctuation of raw material prices such as base oil, paraffin oil etc. The volatility in the raw material prices will be continuing to remain key monitorable.

Susceptibility of profitability to volatility in raw material prices & foreign exchange fluctuation

The basic raw material required by the company is base oil, the price of which is volatile in nature and raw material cost contributes major production cost of more than 90%. Hence, the profitability of the company is exposed to variations in raw material prices which is evident from the variable profit margins over the years. However, the same is mitigated to an extent as CPCPL has long term relations with major base oil producing refineries and has strategic tie-up in the form of long-term contracts with them for regular supplies of various grades of base oil. In addition to that, CPCPL imported around 89% to 98% of its raw material and registered sales around 14% to 16% from exports in the period FY23 & FY25 (Provisional). CPCPL hedges its foreign currency exposure partially through forward contracts & natural hedging. Its unhedged exposure if any, exposes the company to currency fluctuation risk which could result in forex currency exchange loss and thus affecting profitability.

Analytical Approach: Standalone

Applicable Criteria:

- Rating Methodology for Manufacturing Companies.
- Financial Ratios & Interpretation (Non-Financial Sector).
- Criteria for assigning Rating outlook.
- Policy on Default Recognition.
- Complexity Level of Rated Instruments/Facilities

Liquidity – Adequate

The liquidity profile of the company is adequate marked by its sufficient cash accruals of Rs 18.69 crore against NIL fixed debt obligation for FY25. The average fund-based bank limit utilization remains low at around ~37% and the average non-fund-based utilization limit stood ~65% for the last twelve months ending June,2025. The company has comfortable interest coverage ratio in FY25 (Provisional), besides that the company has no fixed term debt obligations in next 3 fiscal years and has no capex plan in medium term. The company's free cash & cash equivalents are Rs 0.40 crore for the year ended March 2025 (Provisional). The current ratio for the company stood at 1.28 x for FY25 (Provisional).

About the Company

Columbia Petro Chem Private Limited (CPCPL) was incorporated in 1987, having registered office at Mumbai. The company is promoted by Kuldeep Halwasiya and it is the flagship company of the Halwasiya Group. CPCPL manufacturing various petroleum specialty products namely liquid paraffin, white oils and transformer oils through the process of refining of imported and indigenous base oils at its plant at Taloja, MIDC (Maharashtra Industrial Development Corporation) and another plant at Silvassa in Union Territory of Dadra and Nagar Havelli. The products are used in pharmaceutical and cosmetics industries, except transformer oil which is used by power stations and State Electricity Boards.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income^	1151.28	1191.81
EBITDA	30.54	28.31
PAT	14.53	17.20
Total Debt	9.96	74.26
Tangible Net Worth	221.54	235.92
EBITDA Margin (%)	2.65	2.38
PAT Margin (%)	1.26	1.44
Overall Gearing Ratio (x)	0.04	0.31
Interest Coverage (x)	3.60	3.82

** Classification as per Infomerics' standards.*
^*Total operating income excludes* other non-operating income

Status of non-cooperation with previous CRA: None

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (July 29, 2024)	Date(s) & Rating(s) assigned in 2023-24 (July 04, 2023)	Date(s) & Rating(s) assigned in 2022-23 (April 05,2022)
1.	Long Term bank Facilities	Long Term	75.00	IVR A+/ Stable	IVR A+/ Stable	IVR A/ Stable	IVR A+/ Stable
2.	Short Term bank Facilities	Short Term	610.00	IVR A1	IVR A1	IVR A1	IVR A1+

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit www.infomerics.com.

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Fund-Based Bank Facilities -Cash Credit	NA	NA	NA	NA	75.00	IVR A+/Stable
Non-Fund Based Bank Facilities - LC/BG	NA	NA	NA	NA	610.00	IVR A1

Annexure 2: Facility wise lender details
https://www.infomerics.com/admin/prfiles/len-columbia-aug25.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.