



Press Release

Petchem Products Private Limited (PPPL)

September 03, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	38.00 (Enhanced from Rs.28.00 crore)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	IVR BB+/ Stable (IVR Double B Plus with Stable Outlook)	Rating Reaffirmed	Simple
Short Term Bank Facilities	103.00 (Enhanced from Rs. 78.00 crore)	IVR A4+ (IVR A Four Plus)	IVR A4+ (IVR A Four Plus)	Rating Reaffirmed	Simple
Total	141.00	(Rupees One Hundred and Forty-One Crore)			

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 has reaffirmed its rating to the Bank facilities of Petchem Products Private Limited (PPPL). The rating continues to derive comfort from extensive experience of promoters in chemical trading business and established supplier and customer base. However, these rating strengths remain constrained by moderate financial risk profile, exposure to volatility in prices of traded commodities and forex rates.

The outlook of PPPL is expected to be stable in view of experience of promoters and the company's established relationships with key customers and suppliers, which are expected to support business continuity.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained increase in revenue and profitability metrics leading to comfortable financial risk profile.



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- Sustenance of the capital structure with improvement in debt protection metrics marked by ISCR at above 2 times.

Downward Factors

- Significant decline in the revenue and profits impacting the liquidity and debt protection metrics.
- Stretched working capital cycle or higher than expected debt weakening the overall financial risk profile of the company.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Extensive experience of promoters

PPPL is promoted by Mr. Sarada Prasanna Das, who has more than three decades of experience in chemical industry. He has done MSC in Chemistry and MBA in Marketing. Having operated in industry since years, the promoter has built strong supplier relationships and a nationwide presence, aiding stable growth.

Established supplier and customer base

Since 2006–07, the company has established long-term relationships with reputed global suppliers (e.g., Bharat Petroleum, Toyota Tsusho) and a diversified customer base across industries such as paints, textiles, pharma, and agrochemicals, including clients like Grasim and Indofil. The company focuses on small numbers of customers. The company's shares 15-20 years of association with its customers. Long-standing associations support operational stability and revenue visibility amid market volatility.

Key Rating Weaknesses

Moderate financial risk profile

The company's financial risk profile remains moderate. The capital structure remained moderate, with TOL/adjusted TNW at 2.99x as of March 31, 2025 (Prov.), compared to 3.23x the previous year, driven by higher creditor levels and modest net worth. While DSCR and ISCR remained adequate, moderated to 1.69x and 1.41x respectively in FY25 (Prov.) from 3.20x and 2.17x in FY24, owing to dip in profitability. However, the promoters have infused



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subordinated unsecured loan to the tune of RS.0.48 crore during FY25, this quasi equity shall remain in business to support the operations in the times of need.

Exposed to volatility in prices of traded commodities and forex rates

PPPL's product prices are largely tied to crude oil, making the company vulnerable to price fluctuations. The war situation and shipping routes disruptions led to increase in material costs and freight costs especially import -reliant countries like India leading to compressed margins, stretched working capital cycle for traders. Additionally, unhedged foreign exchange exposure exposes it to currency risks. However, the company uses forward contract to hedge the fluctuation risk. The unhedged forex exposure as on July 25, 2025, remains at Rs.24.58 crore. In FY25, profitability declined due to significant market volatility and weakening of rupee rate against dollar

Analytical Approach: Standalone.

Applicable Criteria:

[Rating Methodology for Trading 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 of the company remained adequate as the company is generating sufficient accruals against negligible debt obligations. The net cash accruals (NCA) for FY25 (Prov.) remained at Rs.4.50 crore as against the repayment of Rs. 0.10 crore. The current ratio as on March 31, 2025 (Prov.), stood above unity. The NCA for the projected period remained at adequate against debt repayment. The free cash flow as on March 31, 2025, remained at Rs. 4.60 crore.

About the Company

PPPL, based in Mumbai was established as a sole proprietary concern by Mr. Sarada Prasanna Das in the year 2002 in the field of chemicals. Later it was converted into a private limited company on August 14, 2019. Company started trading of petrochemicals with three



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products now company deals with 18 products. PPPL supplies various Petrochemical products, there major products are Butyl Acrylate, Ethyl Acrylate, Methyl Methacrylate, Normal Butanol and 2 Ethyl Hexanol.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	484.20	509.81
EBITDA	11.60	8.07
PAT	11.81	3.86
Total Debt	78.31	24.68
Tangible Net Worth	35.18	39.84
EBITDA Margin (%)	2.40	1.58
PAT Margin (%)	2.41	0.75
Overall Gearing Ratio on adjusted TNW (x)	1.90	0.53
Interest Coverage (x)	2.17	1.41

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: None

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 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 FY24-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date (June 07, 2024)	Date (October 19, 2023)	Date (September 29, 2022)
1.	Fund base facility – Cash Credit	Long Term	38.00	IVR BB+/Stable	IVR BB+/Stable	IVR BB+/Negative;INC	IVR BBB-/Stable
2.	Non-fund-based facility – LC	Short Term	103.00	IVR A4+	IVR A4+	IVR A4+/INC	IVR A3



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Analytical Contacts:

Name Jyotsna Gadgil

Tel: (022) 62396023

Email: jyotsna.gadgil@infomerics.com

About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) formerly known as 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.

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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
Cash Credit	-	-	-	-	38.00	IVR BB+/ Stable
Letter of Credit	-	-	-	-	103.00	IVR A4+

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-petchem-sep25.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.