HALDIA PETROCHEMICALS LTD

Regd. Office:
Bengal Eco Intelligent Park, Tower 1
Block EM, Plot No 3, Salt Lake City
Sector V,
Kolkata 700 091, W.B.
TEL: 7112 2334, 7112 2445
WEBSITE: www.haldiapetrochemicals.com
CIN: U24100WB2015PLC205383
GSTIN: 19AAGCB2001F1Z9

6th October, 2025

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001

Scrip Code: 974026 & 974028

Dear Sir / Madam,

Sub: Credit Rating with respect to Non-Convertible Debentures of the Company

Pursuant to Regulation 55 & 51 read with Part B of Schedule III of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Master Circular bearing reference no. SEBI/HO/DDHS-PoD-1/P/CIR/2024/48 May 21, 2024, as amended, we hereby inform you that India Ratings & Research Private Limited, has revised the rating assigned to Company's Non-Convertible Debentures ("NCDs") as under:

1. Current rating details

Sr. No.	ISIN	Name of the Credit Rating Agency	Credit rating assigned	Outlook (Stable/ Positive/ Negative/ No Outlook)	Rating Action (New/ Upgrade/ Downgrade/ Re-Affirm/ Other)	Specify other rating action	Date of Credit rating	Verification status of Credit Rating Agencies	Date of verification
1.	INE105U07014 & INE105U07030	India Ratings & Research Private Limited	IND A+	-	Other	Negative	03.10.2025	Verified	03.10.2025

2. Earlier ratings details:

Sr. No.	ISIN	Name of the Credit Rating Agency	Credit rating assigned	Outlook (Stable/ Positive/ Negative/ No Outlook)	Rating Action (New/ Upgrade/ Downgrade/ Re-Affirm/ Other)	Specify other rating action	Date of Credit rating	Verification status of Credit Rating Agencies	Date of verification
1.	INE105U07014 & INE105U07022	India Ratings & Research Private Limited	IND A+	-	Other	Placed on Rating Watch with Negative Implications	17.04.2025	Verified	17.04.2025

We are enclosing herewith the communication issued by the India Ratings & Research Private Limited for your information.

Please arrange to bring the same to the Notice of all concerned.

Thanking you,

Yours Sincerely,

For Haldia Petrochemicals Limited

SARBANI MITRA Digitally signed by SARBANI MITRA Date: 2025.10.06 17:25:50 +05'30'

Sarbani Mitra
Company Secretary
A14906

India Ratings & Research
A Fitch Group Company

India Ratings Revises Outlook on Haldia Petrochemicals & its NCDs and Bank Loan Facilities to Negative; Affirms 'IND A+'; Off Rating Watch with Negative Implications

Oct 03, 2025 | Petrochemicals

India Ratings and Research (Ind-Ra) has revised the Outlook on Haldia Petrochemicals Limited (HPL) and its debt instruments to Negative from Stable and affirmed the rating at 'IND A+' while resolving the Rating Watch with Negative Implications. The instrument-wise rating actions are as follows:

Details of Instruments

Instrument Type	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating Assigned along with Outlook/Watch	Rating Action
Issuer rating	-	-	-	-	IND A+/Negative	Affirmed; Outlook revised to Negative; Off Rating Watch
Non-convertible debentures^	-	-	-	INR10	IND A+/Negative	Affirmed; Outlook revised to Negative; Off Rating Watch
Bank loan facilities	-	-	-	INR104	IND A+/Negative/IND A1	Affirmed; Outlook revised to Negative; Off Rating Watch

^Details in Annexure

Analytical Approach

Ind-Ra continues to take a consolidated view of HPL and its subsidiaries, given the strong operational and strategic linkages among them.

Detailed Rationale of the Rating Action

The Outlook revision to Negative reflects HPL's subdued EBITDA generation driven by elongating downcycle in the petrochemical industry. During the down-cycle, the tolling margin has remained under pressure and reduced to USD95.1/tonne (t) in FY25 (FY24: USD115.9 /t; FY23: USD149.3 /t; FY22: USD 193.3/t). However, Ind-Ra draws comfort from the improvement in HPL's tolling margins to USD121.3/t in 1QFY26. The agency expects the tolling margins to improve in FY26 from the FY25 levels, enabling EBITDA generation of INR5.0 billion-6.0 billion.

The rating action also takes into account the debt-funded phenol and acetone projects, which are being implemented under Adplus Chemicals and Polymer Private Limited (Adplus). The estimated project cost of INR56 billion will be funded by debt of INR42 billion and the balance through equity. Ind-Ra understands that the company has completed debt tie-up for 100% of its debt requirement. The scheduled commercial operations date for the projects is October 2026. However, upon completion of the project, Ind-Ra expects the phenol and acetone projects to generate an annual EBITDA of INR8.0 billion-10.0 billion. An improvement in spreads along with the timely operationalisation of phenol project shall remain a key rating monitorable.

However, the ratings draw comfort from a reduction in HPL's debt on account of sale of 85% stake in HPL Technologies B.V., Netherlands (HPL Technologies), to ESMA Global Limited for a consideration of USD294.95 million. HPL Technologies was a 100% subsidiary of HPL that had acquired a majority stake in Lummus Technologies Holding (Lummus) during June 2020. With the sale of 85% share in HPL Technologies, HPL's total debt declined to INR62.3 billion at FYE25 (FYE24: INR83.3 billion; FYE23: INR79.8 billion). Ind-Ra also draws comfort from the healthy cash and cash equivalents of INR26.5 billion available with the company at FYE25 (FYE24: INR34.4 billion; FYE23: INR37.5 billion). HPL's consolidated net leverage (net debt/EBITDA) declined to 12.6x in FY25 (FY24: 19.8x; FY23: 6.8x) led by the reduction in debt.

Ind-Ra had placed the ratings on Rating Watch with Negative Implications on account of recurrent delays in publishing of 2QFY25 and 3QFY25 quarterly financial results. The agency has resolved the rating watch on account of the declaration of 2QFY25 and 3QFY25 quarterly results on 15 May 2025 as communicated in its 8 April 2025 exchange declaration and further timely announcement of its annual audited results for FY25 on 30 May 2025. Ind-Ra understands that the delay in declaration of 2QFY25 and 3QFy25 results was due to the ongoing strategic restructuring and refinancing initiatives.

List of Key Rating Drivers

Strengths
- Established market position
- Downstream value-addition capex to provide EBITDA stability in the medium term
- Reduction in consolidated debt following 85% stake sale in HPL Technologies

Weaknesses
- Continued pressure on consolidated EBITDA due to moderate petrochemical spreads; EBITDA improvement likely in FY26
- Consolidated credit metrics improve but remain under pressure during FY25

Detailed Description of Key Rating Drivers

Established Market Position: HPL is a leading polyolefin manufacturer in India, with a dominant position in the eastern region. It is the fourth-largest combined polyethylene (PE) and polypropylene (PP) producer in India with a capacity of 1.06 million tonnes per annum, followed by Reliance Industries Ltd ('IND AAA'/Stable), Indian Oil Corporation Ltd ('IND AAA'/Stable) and ONGC Petro Additions Limited ('IND AA+'/Stable). Furthermore, the domestic demand outlook for polyolefins is positive, driven by lower domestic per capita consumption than to the global average and continued strong demand coming from the fast-moving consumer goods, automobiles, infrastructure, and agriculture sectors. Ind-Ra expects the market position will further improve on commencement of phenol and acetone projects. Ind-Ra expects products from phenol and acetone projects to be counter cyclical to petrochemical products, thereby protecting EBITDA during downcycles.

Downstream Value-addition Capex to Provide EBITDA Stability in the Medium Term: HPL is reducing its dependence on polyolefins and increasing the share of value-added products on the chemicals side. Polyolefins constituted about 58% of the company's revenue in FY25 (FY24: 59%; FY23: 66%; FY22: 69%), and chemicals for the balance. HPL is further expanding downstream value addition through its phenol project in Adplus which would aid in: i) value addition on benzene resulting in higher chain margins to HPL, ii) increasing the capacity utilisation of the cracker, and iii) earning counter cyclic phenol margins compared to cracker margins. Advanced Performance Materials Private Limited's (ADPERMA; debt rated at 'IND A+'/Negative) product portfolio consists of butene-1 and MTBE. ADPERMA's EBITDA remained healthy at INR2.6 billion in FY25 (FY24: INR2.9 billion; FY23: INR2.5 billion). HPL's downstream diversification will enable it to earn higher margins and bring stability to earnings in a relatively cyclical industry. Ind-Ra understands that capex to capture greater portion of the value chain bodes well for petrochemical companies. Furthermore, the agency expects the countercyclicality of chemical and polymer spreads to bode well for stability in the company's EBITDA.

Adplus's project cost is estimated at INR56 billion for capacity of 345 kilo tonnes per annum (KTPA). Earlier, the plant was expected to be of 300KTPA capacity with its project cost amounting to INR47 billion. However, the capacity was revised to 345KTPA leading to an increase in the project cost to INR56 billion. The project cost will be funded through debt of around

INR42 billion and the remaining INR14 billion by equity. The project's scheduled commercial operations date is October 2026. The project debt is completely tied up with the consortium of five banks. Additionally, ADPERMA, at a standalone level, raised two non-convertible debentures (NCDs) of INR2 billion and INR0.75 billion, respectively, in addition to INR3 billion of debt raised in FY24 to fund the Adplus project. The timely completion of capex within the estimated cost remains a key rating monitorable.

Reduction in Consolidated Debt Following 85% Stake Sale in HPL Technologies: During FY25, HPL sold an 85% equity interest in HPL Technologies for INR25.64 billion (USD294.95 million). This includes interest-bearing deferred consideration of INR22.15 billion (USD254.95 million) payables in four years. Following the stake sale, HPL's consolidated total debt declined to INR62.3 billion at FYE25 (FYE24: INR83.4 billion; FYE23: INR79.8 billion) as HPL Technologies held the debt borrowed by the company for acquiring Lummus in FY21. Ind-Ra notes the promoter support provided to the company in the form of deleveraging on HPL balance sheet is a credit positive for HPL. Ind-Ra also notes HPL will receive the annual interest from ESMA for the deferred payment. Any deferment in receipt of these payments will remain a monitorable.

Continued Pressure on Consolidated EBITDA due to Moderate Petrochemical Spreads; EBITDA Improvement Likely in FY26: Ind-Ra expects the consolidated EBITDA to increase to INR5.0 billion-6.0 billion during FY26 and INR12.0 billion-14.0 billion during FY27 with an improvement in tolling margins and start of operations at the phenol plant during October 2026. HPL's EBITDA will be impacted in FY26 owing to a 60-day maintenance shutdown during 1QFY26. On a consolidated basis, the EBITDA increased to INR3.9 billion in FY25 (FY24: INR3.2 billion; FY23: INR8.7 billion). The margins of petrochemical players remain susceptible to the spread between polymer and feedstock prices. During FY25, the international polypropylene (PP)-naphtha spreads decreased to USD332/tonne (t; FY24: USD341/t), linear low-density polyethylene (PE) naphtha spreads to USD370/t (USD 381/t) and high-density PE-naphtha spreads to USD344/t (USD401/t). In line with the petrochemical spreads, HPL's tolling margins remained under pressure during FY25 reducing to USD 95.1/t (FY24: USD116/t; FY23: USD149/t; FY22: USD193/t).

However, HPL's tolling margin improved to USD121.33/t during 1QFY26 on the back of improvement in spreads. HPL's consolidated EBITDA is supported by ADPERMA's EBITDA, which was the major contributor. ADPERMA's EBITDA stood at INR2.6 billion in FY25 (FY24: INR2.9 billion; FY23: INR2.6 billion). The consolidated EBITDA during FY25 was also supported by an improvement in operating expenditure per tonne, which HPL achieved from various cost-reduction measures. HPL's revenue included accrued benefits under government incentive schemes worth INR3.1 billion in FY25 (FY24: INR3.1 billion; FY23: INR3.7 billion; FY22: INR2.8 billion). The actual payment for these accrued benefits remains to be ascertained on account of the pending resolution of the issue with the West Bengal government in the Kolkata High Court. The accumulated accrued benefits stood at INR20.8 billion at FYE25 (FYE24: INR 17.67 billion; FYE23: INR14.57 billion; FYE22: INR10.84 billion; FYE21: INR8.05 billion).

Consolidated Credit Metrics Improve but Remain Under Pressure during FY25: Ind-Ra expects HPL's net leverage to remain high during FY26 on account the ongoing capex for the phenol project. However, upon operationalisation of phenol plant, Ind-Ra expects the net leverage to decline to 6.0-7.0x during FY27 and reduce below 4.0x FY28 onwards. The improvement in the net leverage will also be supported by the recovery in tolling margins that are under pressure due to the petrochemical industry downcycle.

HPL's total overall debt declined to INR62.3 billion at FYE25 (FYE24: INR83.4 billion; FYE23: INR79.8 billion; FYE22: INR73.3 billion) following the stake sale in HPL Technologies that housed debt borrowed for acquisition of Lummus. HPL's long-term debt declined to INR40.7 billion at FYE25 (FYE24: INR74.9 billion; FYE23: INR72.9 billion) while the short-term debt increased to INR21.6 billion (INR8.4 billion; INR6.9 billion). The consolidated net leverage (total debt less cash and cash equivalents (including lien marked balances)) increased to 9.1x in FY25 (FY24: 15.2x; FY23: 4.8x; FY22: 2.6x), due to the decline in debt.

Similarly, HPL's interest coverage (EBITDA/interest expense) improved to 0.5x in FY25 (FY24: 0.43x; FY23: 1.65x; FY22: 3.6x). Ind-Ra expects HPL's net leverage to remain under pressure during FY26 due to i) subdued EBITDA generation on account of moderate spreads for petrochemical products, and ii) debt-funded capex for the phenol project. However, the net leverage is likely to reduce once the project becomes operational in October 2026 with a likely annual EBITDA generation of INR8 billion-8.5 billion. The timely completion of capex along with EBITDA generation in line with the agency's expectation upon commercialisation would remain key monitorable.

Ind-Ra draws comfort from the healthy cash and cash equivalents maintained by the company. The cash and cash equivalents declined to INR26.5 billion at FYE25 (FYE24: INR34.4 billion; FYE23: INR37.5 billion). The company earned interest income of INR3.1 billion during FY25 (FY24: INR2.7 billion; FY23: INR1.3 billion). Furthermore, the company expects an additional interest income of INR1.3 billion-1.5 billion on deferred payment of sale of 85% stake in HPL Technologies.

Liquidity

Adequate: At FYE25, HPL, on a consolidated basis, had total cash and cash equivalents of INR26.5 billion (FYE24: INR34.4 billion; FYE23: INR37.5 billion). Of the overall cash and cash equivalents, INR13.8 billion was lien marked as margin money for the letter of credit and bank guarantee in FY25 (FY24: INR15.1 billion; FY23: INR17.0 billion; FY22: INR15 billion; FY21: INR9 billion). As a practice, HPL has been putting cash and investments as collateral to avail the benefits of lower interest rate and finance charges. The cash flow from operations turned negative to INR2.2 billion in FY25 (FY24: INR4.4 billion; FY23: INR 4.5 billion) mainly due to cash held in working capital as net working capital cycle for the company increased to 36 days (21 days; 23 days).

The company has scheduled consolidated repayments of INR10.8 billion in FY26 and INR11.9 billion in FY27. HPL largely relies on the non-fund-based limits for the purchase of naphtha, the average utilisation of which was 70% during the 12 months ended July 2025. The average use of the fund-based limits was 88% for the 12 months ended July 2025. Ind-Ra expects the liquidity position to remain adequate over FY26 given the healthy cash and cash equivalents. Furthermore, debt raise for the phenol project has been completed. Ind-Ra understands that Adplus will gradually draw debt of INR3.0 billion-3.5 billion for capex during FY26. Any material increase in the loans and advances to group companies remains a key rating monitorable. The company's liquidity is also supported by interest to be received for deferred payment pertaining to the stake sale.

Rating Sensitivities

Positive: An improvement in the profitability, the timely completion of the planned capex while maintaining adequate liquidity, along with increased visibility of the net leverage remaining below 3.5x on a sustained basis, would lead to the revision of Outlook back to Stable.

Negative: Continued pressure on profitability and/or time and cost overrun on the planned capex, leading to reduced visibility of the net leverage remaining below 3.5x on a sustained basis would lead to a negative rating action.

Any Other Information

Not applicable

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on HPL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, please click here. For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click here.

About the Company

HPL is a joint venture with majority shareholding and management control with The Chatterjee Group. The company manufactures PE (high-density and linear low-density) and PP resins. It has an installed capacity of 720,000tpa (PE) and 341,000tpa (PP). Its product lines also include chemicals such as butadiene, benzene and motor spirit, which are by-products of PE and PP resins manufacturing using naphtha.

Key Financial Indicators

Particulars (Consolidated)	**FY25**	**FY24**
Revenue (INR billion)	142.9	143.9
EBITDA (INR billion)	3.9	3.2
EBITDA margin (%)	2.8	2.2
Interest expenses	7.7	7.5
Gross interest coverage (x)	0.51	0.43
Net leverage	12.6	19.84
Net leverage including restricted cash	9.06	15.15
Source: HPL, Ind-Ra		

Particulars (Standalone)	**1QFY26**	**FY25**	**FY24**
Revenue (INR billion)	15.9	132.9	122.4
EBITDA (INR billion)	-0.43	0.50	-0.2
EBITDA margin (%)	-3	0.4	-0.2
Interest expenses	1.1	4.3	3.9
Gross interest coverage (x)	NM	0.12	NM
Net leverage	-	56	NM
Source: HPL, Ind-Ra NM - not meaningful			

Status of Non-Cooperation with previous rating agency

Not applicable

Rating History

Instrument Type	**Rating Type**	**Rated Limits (billion)**	**Current Rating/Outlook**	**Historical Rating/Outlook**			
				17 April 2025	**17 September 2024**	**18 September 2023**	**19 September 2022**
Issuer rating	Long-term	-	IND A+/Negative	IND A+/Rating Watch with Negative Implications	IND A+/Stable	IND AA-/Negative	IND AA-/Stable
Bank loan facilities	Long-term/Short term	INR104	IND A+/Negative/IND A1	IND A+/Rating Watch with Negative Implications/IND A1/Rating Watch with Negative Implications	IND A+/Stable/IND A1	IND AA-/Negative/IND A1+	IND AA-/Stable/IND A1+
Non-convertible debentures	Long-term	INR10.00	IND A+/Negative	IND A+/Rating Watch with Negative Implications	IND A+/Stable	IND AA-/Negative	IND AA-/Stable

Bank wise Facilities Details

The details are as reported by the issuer as on (03 Oct 2025)

#	Bank Name	Instrument Description	Rated Amount (INR million)	Rating
1	State Bank of India	Fund Based Working Capital Limit	1560	IND A+/Negative / IND A1
2	Punjab National Bank	Fund Based Working Capital Limit	300	IND A+/Negative / IND A1
3	Union Bank of India	Fund Based Working Capital Limit	450	IND A+/Negative / IND A1
4	HDFC Bank Limited	Fund Based Working Capital Limit	1000	IND A+/Negative / IND A1
5	DBS Bank India Limited	Fund Based Working Capital Limit	1000	IND A+/Negative / IND A1
6	State Bank of India	Non-Fund Based Working Capital Limit	10350	IND A+/Negative / IND A1
7	Punjab National Bank	Non-Fund Based Working Capital Limit	3700	IND A+/Negative / IND A1
8	Union Bank of India	Non-Fund Based Working Capital Limit	2550	IND A+/Negative / IND A1
9	HDFC Bank Limited	Non-Fund Based Working Capital Limit	3500	IND A+/Negative / IND A1
10	DBS Bank India Limited	Non-Fund Based Working Capital Limit	2600	IND A+/Negative / IND A1
11	State Bank of India	Term Loan	14840	IND A+/Negative
12	Punjab National Bank	Term Loan	2840	IND A+/Negative
13	Union Bank of India	Term Loan	3660	IND A+/Negative
14	EXIM Bank	Term Loan	5310	IND A+/Negative
15	ICICI Bank	Term Loan	3000	IND A+/Negative
16	Yes Bank Ltd	Fund-based working capital limits	1000	IND A+/Negative / IND A1
17	Yes Bank Ltd	Non-fund-based working capital limits	2000	IND A+/Negative / IND A1

18	Bandhan Bank	Term loan	2000	IND A+/Negative
19	NA	Bank loan facilities	42340	IND A+/Negative / IND A1

Complexity Level of the Instruments

Instrument Type	Complexity Indicator
Bank loan facilities	Low
Non-convertible debentures	Low

For details on the complexity level of the instruments, please visit https://www.indiaratings.co.in/complexity- indicators.

Annexure

Instrument Type	ISIN Number	Date of Issuance	Coupon Rate	Maturity Date	Size of Issue (billion)	Rating/Outlook
Non-convertible debentures	INE105U07014	1 July 2022	8.75	1 July 2029	INR2.50	IND A+/Negative
Non-convertible debentures	INE105U07030	1 July 2022	8.95	30 June 2027	INR2.50	IND A+/Negative
Proposed non-convertible debentures #	-	-	-	-	INR5.00	IND A+/Negative
Total					**INR10**	
Source: India Bond Info # yet to be issued						

Contact

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About India Ratings

India Ratings and Research (Ind-Ra) is India's most respected credit rating agency committed to providing India's credit markets accurate, timely and prospective credit opinions. Built on a foundation of independent thinking, rigorous analytics, and an open and balanced approach towards credit research, Ind-Ra has grown rapidly during the past decade, gaining significant market presence in India's fixed income market.

Ind-Ra currently maintains coverage of corporate issuers, financial institutions (including banks and insurance companies), finance companies, urban local bodies, and structured finance and project finance companies.

Headquartered in Mumbai, Ind-Ra has seven branch offices located in Ahmedabad, Bengaluru, Chennai, Gurugram, Hyderabad, Kolkata and Pune. Ind-Ra is recognised by the Securities and Exchange Board of India and the Reserve Bank of India.

Ind-Ra is a 100% owned subsidiary of the Fitch Group.

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

APPLICABLE CRITERIA AND POLICIES

Evaluating Corporate Governance

Corporate Rating Methodology

Policy for Placing Ratings on Rating Watch

Parent and Subsidiary Rating Linkage

Short-Term Ratings Criteria for Non-Financial Corporates

The Rating Process