



Press Release

B & A Packaging India Limited

March 31, 2026

Ratings

Security / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	34.22	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	-	Rating Assigned	Simple
Short Term Bank Facilities	7.20	IVR A3+ (IVR A Three Plus)	-	Rating Assigned	Simple
Total	41.42 (Rupees Forty-One crore and Forty-Two lakh 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

The ratings assigned to the bank facilities of B & A Packaging India Limited (BAPIL) draw comfort from the company's established operational track record under experienced promoters, along with continued support from its holding company, B & A Limited (B&A). The company benefits from a diversified presence across multiple end-user industries and maintains relationships with reputed customers, which lends stability to its business profile. The ratings also factor in the company's steady operating performance, albeit with some moderation in profitability in recent periods, its conservative capital structure, and comfortable debt protection metrics. However, the rating strengths are partly constrained by the company's exposure to project implementation risks associated with ongoing or planned expansions. The working capital-intensive nature of operations continues to exert pressure on liquidity, while profitability remains susceptible to fluctuations in key raw material prices. Additionally, the company operates in a highly competitive industry, which limits its pricing flexibility, and remains exposed to risks arising from adverse movements in foreign exchange rates.



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The outlook is expected to remain stable in view of expected stable business performance of the company supported by its established track record under experienced promoters.

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of operations and profitability leading to improvement in cash accruals on a sustained basis
- Timely completion of the project without any time or cost overrun and sustenance of the capital structure with improvement in debt coverage indicators
- Improvement in working capital management with improvement in its operating cycle.

Downward Factors

- Moderation in scale of operations and/or moderation in profitability on a sustained basis
- Moderation in the capital structure with deterioration in overall gearing to over 1x
- Elongation in the working capital cycle leading to deterioration in the liquidity

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Long track record of operations under experienced promoters

The company was incorporated by the promoters of B & A Group in 1986. It has been operating in the packaging sector for more than three decades and has an established track record in manufacturing of paper sacks and flexible laminates. The company's day-to-day operations are looked after by Mr. Somnath Chatterjee along with a team of experienced professionals.

Support from group Entity, B & A Limited (B&A)

BAPIL, the subsidiary company of B&A Limited sells its packaging products which is well renowned primarily in the key states of Assam, Gujarat, Odissa & West Bengal. The operation of BAPIL is expected to get need based support from holding company, B&A. B&A has a stable financial risk profile to provide need-based support to BAPIL.

Presence across various industries; reputed customer profile and established relationships with them

The company caters to various industries like tea, chemical, fertiliser, pesticide, carbon black, dairy, FMCG, processed food, etc. which reduce demand dependence on any industry. The company has a reputed client base which includes Indofil Industries Ltd., Coromandel International Ltd., UPL Ltd., etc. Over the years, BAPIL has developed healthy relationships



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with them, which ensure repeat orders. The top five customers contributed ~20% to the total sales in FY25 [FY refers to the period from April 1 to March 31], which depicts a moderate customer concentration risk. However, a reputed client base mostly reduces the counterparty risk. Infomerics notes that the demand prospects of the packaging products are favourable, given the growing demand from the end-user industries.

Stable business performance albeit moderation in profitability

BAPIL's total operating income (TOI) has remained largely range-bound over the past three fiscals at Rs. 131.52 crore in FY23, Rs. 128.79 crore in FY24 and Rs. 130.99 crore in FY25. The marginal growth of ~1.71% in FY25 was driven by higher sales volumes of paper sacks, which remain the company's principal revenue contributor, accounting for ~61% of total revenue, partly offsetting the decline in sales realisations. The flexible laminates segment (contributing ~39% of revenue) also supported revenue stability with improvement in both average realisations (~3.37%) and volumes (~2.67%) in FY25 over FY24. Notwithstanding the stable revenue profile, profitability weakened, with EBITDA margin moderating to 10.88% in FY25 from 12.54% in FY24, primarily due to an increase in paper and polypropylene prices. Given the highly competitive nature of the packaging industry, characterised by the presence of several organised and unorganised players, low entry barriers and price-sensitive customers, the company's ability to pass on higher input costs remains constrained, resulting in margin pressures. Consequently, through remained satisfactory PAT margin moderated to 7.40% in FY25 from 8.81% in FY24. In 9MFY26, the company reported revenue of Rs. 108.99 crore, reflecting a y-o-y growth of ~7%; however, operating margin moderated to 8.99% (9MFY25: 13.29%) on account of elevated paper prices and higher overhead expenses. Sustained volatility in raw material prices and intense competitive pressures is expected to continue to weigh on profitability over the near term, notwithstanding stable revenue visibility.

Conservative capital structure and comfortable coverage indicators

The capital structure of BAPIL has remained conservative on the back of low external borrowings. The capital structure of the company remains comfortable marked by nil long term debt equity ratio and low overall gearing at 0.02x respectively as on March 31, 2025 as against long term debt equity ratio of 0.03x and overall gearing of 0.04x respectively as on March 31, 2024. The company has no long-term debt and its debt profile only consist of working capital borrowings as on March 31, 2025. The net worth of the company stood satisfactory at Rs.82.38 crore (after adjusting for intangible assets). The total indebtedness marked by



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TOL/ATNW also remained healthy at 0.26x as on March 31, 2025 as against 0.25x as on March 31, 2024, and 0.51x as on March 31, 2023 owing to limited external borrowings. The debt protection metrics as indicated by interest coverage ratio stood comfortable and has improved from 20.78x in FY24 to 30.84x in FY25 on account of negligible finance charges. The Total debt to EBITDA and Total debt to GCA both remained healthy at 0.14x and 0.17x as on March 31, 2025 respectively as against 0.17x and 0.22x respectively as on March 31, 2024. However, the leverage ratios and debt service coverage indicators are expected to be moderate in the near term due to availment of term debt to fund the capex though the same is expected to remain satisfactory.

Key Rating Weaknesses

Project implementation risk

Presently, the company is engaged in purchase of new machineries for Flexi laminates & Paper Sacks & in also creating a second line of the existing unit at Balgopalpur Industrial Area in Balasore, Odisha. The proposed project cost for the said project is Rs.26.15 crore, to be funded by promoter's contribution of Rs.6.93 crore and term debt of Rs. 19.22 crore i.e., at a debt equity ratio of 2.77:1x. As on February 06, 2026, the company had only expended around Rs.13.20 crore i.e. ~50.5% of the estimated project cost. The banker approved COD was January 01, 2026. However, due to delay in disbursement of loan, the same could not be achieved. Financial closure for the debt has been achieved. Flexi division expansion is likely to be completed within March 2026 but that of Paper Sack is expected to be completed within first quarter of FY26-27. The same has been approved by banker. Hence, the company remains exposed to project implementation risk.

Working capital intensive nature of operations

BAPIL's working capital intensity of operations has remained high, as reflected by the net working capital relative to operating income (NWC/OI) of 38% (39% in FY24) in FY25. This was on account of high inventory of paper (raw material) and receivables. As a result, the company's liquidity position has become stretched, which also restricts its financial flexibility.

Susceptibility of profitability to volatile input prices, exposure to intense competition limits pricing flexibility and exposure to foreign exchange rate fluctuation

The prices of the key raw materials for the company - paper and polypropylene granules are volatile in nature and BAPIL has to keep stocks in sufficient quantities to remain competitive in the market. As such the company's profitability margins remain exposed to volatility in the



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raw material prices. Moreover, around 32% of the total raw materials required by the company was imported in FY25. The company does not have a formal hedging policy, which exposes the company's profitability to adverse movement in foreign exchange rates. Furthermore, the Indian packaging industry is fragmented and is characterised by intense competition due to low entry barriers. This limits the pricing flexibility of industry participants, including BAPIL. However, the company benefits to an extent from its established operational track record and long relationships with its customers. The company's ability to pass on the increased raw material cost to the customers, will remain a key determinant of the company's profitability, going forward.

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](#)

[Criteria on complexity](#)

[Parent & group support](#)

Liquidity – Adequate

The liquidity position of the company is likely to remain adequate in the near to medium term marked by expected sufficient cash accruals vis-à-vis its debt repayment obligation for the next three years. The company has a comfortable capital structure with overall gearing of 0.02x as on March 31, 2025, indicating adequate gearing headroom. Further, the current ratio also stood comfortable at 3.91x as on March 31, 2025. Furthermore, the average utilisation of working capital borrowings remained comfortable at ~11% for the last twelve months ended November 2025 indicating sufficient cushion in its working capital limits.

About the Company

BAPIL was initially incorporated as B & A Sacks Ltd. in 1986 by the promoters of B & A Group. It was renamed as B & A Multiwall Packaging Ltd. in 1997, and finally as B & A Packaging India Ltd. in July 2010. It started with manufacturing of paper sacks with an installed capacity of 1 crore pieces per year. The company started manufacturing flexible laminates from 2012 with a production capacity of 1,800 metric tonnes per annum. BAPIL's manufacturing plant is



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located in Balasore, Odisha. B & A Ltd. which was established in 1915 is the holding company of BAPIL and has a shareholding of 71.66% in the company. B&A, is a renowned producer of premium CTC tea from leading tea estates across Assam.

Financials (Standalone):

For the year ended* / As On	(Rs. crore)		
	31-03-2024	31-03-2025	9MFY26
	Audited	Audited	Unaudited
Total Operating Income	128.79	130.99	108.99
EBITDA	16.15	14.25	9.8
PAT	11.45	9.83	6.01
Total Debt	2.76	1.99	-
Adjusted Tangible Net worth (on adjusting intangible assets)	73.77	82.38	-
EBITDA Margin (%)	12.54	10.88	8.99
PAT Margin (%)	8.81	7.40	6.01
Overall Gearing Ratio (x)	0.04	0.02	-
Interest Coverage Ratio (x)	20.78	30.84	15.81

*Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: None

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Rating (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Ratings	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					-	-	-
1	Term Loan	Long Term	19.22	IVR BBB/ Stable	-	-	-
2	Cash Credit	Long Term	15.00	IVR BBB/ Stable	-	-	-
3	Forward Contract	Short Term	0.20	IVR A3+	-	-	-
4	Letter of Credit	Short Term	7.00	IVR A3+	-	-	-

*outstanding as on December 31, 2025

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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.

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Annexure 1: Security/Facility Details

Name of Facility/ Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	-	March 2031	19.22	IVR BBB/ Stable
Cash Credit	-	-	-	-	15.00	IVR BBB/ Stable
Forward Contract	-	-	-	-	0.20	IVR A3+
Letter of Credit	-	-	-	-	7.00	IVR A3+



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Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/LEN_B_and_A_Packaging31_March26_959ff14c2a.pdf

Annexure 3: Detailed explanation of covenants of the rated instrument/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.

