Plastene India Limited

November 23 ,2026

Rating Action

Total Bank Loan Facilities Rated	**Rs. 209.00 Crore (Reduced from Rs.226.33 Crore)**	**Regulator^**
Long Term Rating	**IVR BBB/Stable (Rating Reaffirmed)**	**RBI**
Short Term Rating	**IVR A3+ (Rating Reaffirmed)**	**RBI**
^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.		

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: *None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

Rationale

Infomerics Ratings has reaffirmed the rating assigned to the bank facilities of Plastene India Ltd (PIL). The rating derives strength from large scale of operations and absolute EBITDA profits (although Infomerics notes the slight moderation in the same in FY26), comfortable capital structure, locational advantage, state of the art infrastructure and high operational efficiency. The agency also notes the wide product portfolio, diversification of revenues across domestic and export markets as well as experienced promoters and management team with strong track record. However, these ratings are constrained due to moderate debt protection metrics, working capital intensive operations and susceptibility of profitability to raw material price and currency fluctuation.

Outlook: Stable

The Stable outlook reflects Infomerics' expectation that PIL will continue to benefit from its strong and established market position in the Flexible Intermediate Bulk Container (FIBC) packaging segment, diversified product portfolio and established relationships with domestic and overseas customers. The company is expected to maintain its operating performance, supported by stable demand, improved sales realisations and better cost efficiencies. Further, the improvement in profitability and debt protection metrics during H1FY27 is expected to be sustained and support its credit profile. Infomerics' expectation of higher margins being sustained in future is based on the power

cost savings from implementation of 6MW solar capacity in FY27 and the direct imports of raw materials at cheaper rates than domestic prices.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	NA

Key Rating Drivers with Detailed Description

Strengths

Large scale of operations with commensurate large operating profits

PIL's reported revenues of Rs.583.66cr in FY26 with EBITDA profits of Rs.51.15cr. Infomerics notes the slight decline from levels of Rs.589.34cr and Rs.49.79cr respectively, in FY25 with the moderation primarily attributable to a decline in raw material prices, particularly polypropylene, during October 2025 to February 2026, which resulted in lower sales realisations. However, the decline was not accompanied by any significant reduction in sales volumes or lower order inflows. Sales volume of FIBC bags declined slightly to 18,253.04 MT in FY26 from 19,869.91 MT in FY25, while woven fabrics witnessed an increase to 10,645.74 MT from 9,108.85 MT. Granules sales volume also improved to 6,929.97 MT from 6,353.32 MT during the same period. PAT also declined and stood at ₹1.99 crore as against ₹2.76 crore in FY25.

Another factor impacting volumes in FY26 was the war in the Middle East towards end FY26 which required re-routing of shipments to alternate ports in the UAE, and lack of adequate shipping capacity due to increase in average voyage time.

During H1FY27, PIL reported marginal growth in TOI by 1.00% to ₹300.76 crore from ₹297.76 crore in H1FY26. However, profitability improved significantly, with EBITDA increasing by 37.32% to ₹37.31 crore and PAT increasing by 87.51% to ₹12.02 crore, resulting in an improvement in EBITDA margin to 12.41% from 9.12%. The profitability margin improvement is not expected to be sustained at this level as it was driven by increase in realisations in response to increase in raw material prices, whereas the company already had large inventory of low-cost raw material at end FY26. The impact of higher raw material prices is expected to be felt in H2FY27. Additionally, the company

had also reported forex gains in H1FY27. Infomerics believes that in future EBITDA margins will be maintained at higher than FY26 levels because of the installation of 6MW solar power generation capacity during FY27 and the decision of the Champalal group to import raw materials from countries like China, US and Saudi Arabia, entailing cost savings.

Comfortable capital structure

PIL's capital structure stands comfortable, as reflected in its overall gearing and TOL/TNW at 1.07x and 1.20x respectively, as on March 31st, 2026 (March 31st, 2025: 1.09x and 1.34x respectively), due to healthy net worth driven by steady accretion of profits to reserves with no significant increase in total debt. Infomerics expects PIL to sustain healthy scale of operations together with improved margins which is likely to improve the capital structure to a comfortable level in the future.

Locational advantage, state of the art infrastructure and risk mitigation strategies contributes to high operational efficiency

PIL derives a significant competitive advantage from the strategic location of its manufacturing facilities in Gujarat, with proximity to Kandla and Mundra ports, facilitating efficient export logistics and lower transportation costs. The company also benefits from proximity to major raw material suppliers, including Reliance Industries Limited, ensuring efficient procurement of polypropylene. Further, the company has established manufacturing facilities across multiple locations in Gujarat, including Gandhidham, Ahmedabad, Rajpur, Kalol and Kutch, equipped with modern machinery and technology, enabling efficient production, improved operational productivity and consistent product quality.

Additionally, the Champalal group has started importing polypropylene granules from FY26 onwards, primarily from China and Saudi Arabia, with some procurement from the US, owing to the relatively lower cost of imported raw materials compared to domestic procurement. The proximity of its manufacturing facilities to Mundra port provides a competitive advantage in terms of lower logistics costs and facilitates cost-efficient imports. The increased reliance on imported raw materials also provides a natural hedge against foreign exchange fluctuations, considering the company's export-oriented operations. Further, around 80–90% of the company's export sales are undertaken on an FOB basis, thereby limiting its exposure to fluctuations in international freight costs. The

company also avails packing credit in foreign currency (PCFC) and enters into forward contracts to manage its foreign exchange exposure.

Further, PIL is implementing a renewable energy initiative with an aggregate solar power capacity of 6 MW, of which 4 MW became operational in July 2026, while the balance 2 MW is expected to become operational by December 2026. The solar power project is expected to reduce dependence on grid electricity and generate annual savings of approximately ₹5–6 crore in power costs, thereby supporting operating margins and overall cost competitiveness.

Wide product portfolio and geographical presence in the market

The Group is engaged in manufacturing of film laminates, FIBC Bags, liners, BOPP laminated woven sacks, HDPE & PP woven sacks etc. Each segment incorporates numerous specifications, shapes, sizes, colours etc., thus providing wide range of products to its customers. FIBC bags fall into the non-commodity segment of the HDPE/PP woven sack industry and entail more value addition and entail higher margins than cement and fertiliser bags. Further, it has a strong global foothold in addition to its domestic presence thereby maintaining balanced global to local mix proportion and mitigating the risk of any downturn events in one single market.

Experienced promoters and management team with strong track record in managing operations

PIL is part of Gujarat based Champalal Group which carries an extensive experience of over two decades in the flexible packaging industry. The promoters are supported by an experienced and qualified pool of management comprising of other Board of Directors and senior level management. Strong understanding of market dynamics has helped the company in withstanding industry cycles, diversify the product profiles and expand the capacity. Thus, strong track record of business operations and rich experience of the management helps in driving the future growth of business by articulating its brand in a way where the customers are attracted towards its reliable and quality products.

Weaknesses

Moderate debt protection metrics

PIL's debt coverage metrics marked by moderate interest coverage ratio despite the improvement to 2.05x in FY26 from FY25 (2.01x), due to material reduction in interest costs during the year. The reduction in interest costs was supported by the group's shift towards

importing raw materials at relatively competitive prices, resulting in cost savings as well as reduced working capital borrowings from lower investment in working capital. Overall debt levels (comprising mostly of working capital borrowings) remained high at Rs.180.76cr at end FY26, due to which total debt / NCA was also high at 7.15x at the end of FY26. However long-term debt to NCA stood comfortable at 1.79 years in FY26 due to scheduled repayment of long-term debt. Further company does not have large debt led capex plans in near to medium term.

Working capital intensive operations

PIL's operations remain working capital intensive, as reflected in its elongated net operating cycle of 117 days in FY26, primarily due to higher receivable and inventory levels. The collection period increased to 73 days, indicating a relatively extended credit period offered to customers, particularly in the export market, where the average collection period ranges between 60 and 70 days. Further, inventory holding stood at 51 days as against 44 days in FY25, reflecting the company's strategy of maintaining adequate inventory to meet customer requirements and capitalise on favourable raw material prices. The company generally maintains inventory ranging from 8 days to 8 weeks depending on market conditions and price movements. The group began imports of raw materials in FY26 and had built up a large inventory of raw materials at the year end to take advantage of lower raw material prices in the international market. Infomerics expects the operating cycle to remain elongated, albeit stable, over the medium term.

Susceptibility of profitability to raw material price and currency fluctuation

Profitability of PIL is subject to fluctuation in the price of polymer (HDPE/PP) granules which are derivatives of crude oil. Export sales of the company accounted for 58.40% of total sales in FY2025 and around 50% in FY26 making the margins susceptible to any significant movement in the exchange rates. However, the group has separate Risk Management Committee which has been mitigating the risk involved in forex transactions through forward contracts. Infomerics notes that higher H1FY27 margins were due to supplies being made with low-cost raw material inventory, even as realisations increased in line with higher prevailing raw material prices. Additionally, the company reported FX gains in H1FY27. As these benefits may not recur, the margins could be lower in H2FY27.

Liquidity –Adequate

PIL's liquidity position is adequate, supported by positive cash accruals and established banking facilities. The working capital intensity is relatively high, with fund-based working capital limit utilisation standing at 83.32% as of September 2026, reflecting moderate cushion in the available working capital limits. The current ratio stood at 1.45x as on March 31, 2026, while cash and cash equivalents stood at ₹0.21 crore as on the same date. Going forward, timely enhancement of working capital limits commensurate with the growth in business operations is expected to support the company's liquidity position and meet its debt servicing obligations.

Rating Sensitivities

Upward Factors

- Substantial improvement in the scale of operations along with improved profitability margins on a sustained basis.
- Significant improvement in working capital cycle improving liquidity of the company.

Downward Factors

- Sustained decline in revenue and profitability and/or deterioration in working capital cycle and/or any unplanned debt fund led capex leading to deterioration in credit profile and the liquidity position.

About the Company

Plastene India Limited is the flagship company of the Champalal Group. The company is engaged in manufacturing of film laminates, FIBC Bags, BOPP laminated Woven sacks, HDPE & PP woven sacks, Tarpaulins. The manufacturing facility has installed capacity of 30,000 MT and is equipped with various latest technology. It is set up over area of 850,000 sq. ft. The Company was originally incorporated on October 16, 1998, as Oswal Agloimpex Private Limited at Ahmedabad, Gujarat and was converted into public limited company in 2006. Thereafter, the name of the company was changed to Plastene India Limited in 2007.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	589.34	583.66
EBITDA	49.79	51.15
PAT	2.76	1.99
Total Debt	181.02	180.76
Tangible Net Worth (TNW)	166.44	172.25
EBITDA Margin (%)	8.45	8.76
PAT Margin (%)	0.47	0.34
Overall Gearing (times)	1.09	1.07
Interest Coverage (times)	2.01	2.05

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

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

Status of non-cooperation with previous CRA: Nil

Any other information: None

Rating History for last three years

Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years			
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26		Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					Aug 26, 2025	June 25, 2025	May 16, 2024	NA
1.	Fund based facilities	LT	160.06	IVR BBB/ Stable	IVR BBB/ Stable	IVR BBB-/Negative/Issuer Not Cooperating	IVR BBB/Negative	--
2.	Non-fund-based facilities	ST	48.94	IVR A3+	IVR A3+	IVR A3/ Issuer Not Cooperating	IVR A3+	--

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	Listing Status	Regulator^	Complexity Indicator
Term Loan	--	--	--	28th Feb 2029	13.00	IVR BBB/ Stable	NA	RBI	Simple
Term Loan	--	--	--	31st Dec 2028	6.20	IVR BBB/ Stable	NA	RBI	Simple
ECLGS	--	--	--	31st Dec 2026	6.58	IVR BBB/ Stable	NA	RBI	Simple
Term Loan	--	--	--	30 March 2029	4.00	IVR BBB/ Stable	NA	RBI	Simple
Term Loan	--	--	--	07th June 2027	3.96	IVR BBB/ Stable	NA	RBI	Simple
ECLGS	--	--	--	30 Dec 2026	2.41	IVR BBB/ Stable	NA	RBI	Simple
Term Loan	--	--	--	16 Dec 2026	3.75	IVR BBB/ Stable	NA	RBI	Simple
Term Loan	--	--	--	23 Sep 2027	3.20	IVR BBB/ Stable	NA	RBI	Simple
Proposed Term Loan	--	--	--	--	0.88	IVR BBB/ Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	54.50	IVR BBB/ Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	10.00	IVR BBB/ Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	20.00	IVR BBB/ Stable	NA	RBI	Simple
Cash Credit	--	--	--	--	31.58	IVR BBB/ Stable	NA	RBI	Simple
Dealer Invoice Financing	--	--	--	--	31.00	IVR A3+	NA	RBI	Simple
Forward Contracts	--	--	--	--	1.60	IVR A3+	NA	RBI	Simple
Forward Contracts	--	--	--	--	1.50	IVR A3+	NA	RBI	Simple
LC	--	--	--	--	7.84	IVR A3+	NA	RBI	Simple
BG	--	--	--	--	7.00	IVR A3+	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/Len_Plastene23_Nov26_8ac874b6da.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: NA

Annexure 4: List of companies considered for Consolidated/Combined analysis: NA

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11a	Fixed Deposits raised by NBFCs, HFCs, FIs	RBI
11b	Fixed Deposits raised by Banks	+
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI

Sr. No.	Instrument / activity Name	Regulator of the instrument
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	+
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side Regulator such as IRDAI, PFRDA @

Footnotes:

** Includes securitisation transactions involving assignee payout, acquirer's payout.*

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Infomerics Valuation and Rating Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

 # There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.

$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

+ To be finalized following a discussion with the regulatory authorities.

Note: *For activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.*

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