

Purv Flexipack Limited

June 05, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 96.65 Crore	Regulator [^]
Long Term Rating	IVR BBB-/Negative (Rating Reaffirmed, Outlook revised to 'Negative' from 'Stable')	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 revised the outlook on Purv Flexipack Limited (PFL) from Stable to Negative, reflecting the expected moderation in the company's profitability over the near term owing to rising raw material costs. The company witnessed a moderation in its operating performance and debt service coverage indicators during FY26 (FY refers to the period from April 1 to March 31), as reflected in the contraction in profitability despite stable revenue growth. The decline in profitability was primarily driven by the increased share of lower-margin trading revenues in the overall business mix, along with a sharp rise in the prices of key raw materials such as polypropylene, biaxially oriented polyethylene terephthalate (BOPET) films, cast polypropylene (CPP) films and plastic granules. The surge in input costs was further aggravated by geopolitical disruptions arising from the escalating tensions in the West Asia region, which adversely impacted supply chains and commodity prices. Going forward, Infomerics Ratings expects continued volatility in raw material prices and an uncertain geopolitical environment may exert pressure on CCIL's profitability and overall business performance over the near to medium term.

The ratings, however, continue to derive strength from the extensive experience of the promoters in the packaging industry, the company's diversified product offerings, and moderate capital structure. These strengths are partially offset by average debt service coverage indicators, working capital intensive nature of operation coupled with susceptibility of margins to fluctuations in raw material and finished goods prices.

Outlook: Negative: Negative outlook is on account of expected moderation in the company's profitability in the near term.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Consolidation IVR has consolidated the consolidated financials of Purv Flexipack Limited, with its subsidiaries namely Cool caps Industries Limited (CCIL) Purv Ecoplast Private Limited, Purv Packaging Private Limited, Purv Technoplast Private Limited and Re.Act Waste Tech Private Limited controlled by the same management with operational and financial linkage.
Parent/ Group Support	Not Applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

Strengths

Moderate capital structure

The capital structure of the company had remained moderate marked by its heavy reliance on external borrowings coupled with moderate net worth base which stood at Rs.161.43 crore as on March 31, 2026. Further, after adjusting the long pending receivable and loans and advance to its group entities the adjusted net worth of PFL stood at Rs.119.14 crore as on March 31, 2026. Higher utilisation of working capital borrowings to support the growing business has elevated the debt level leading to a moderation in adjusted overall gearing to 1.76x as on March 31, 2026, against 1.62x as on March 31, 2025. Overall indebtedness marked by TOL/ATNW has also moderated to 2.32x as on March 31, 2026, as compared to 2.07x as on March 31, 2025. However, with elevated debt level, Total Debt/EBITDA has moderated and stood at 6.36x as on March 31, 2026, as compared to 5.42x as on March 31, 2025.

Diversified product offerings

PFL is a del-credere agent (DCA) of Indian Oil Corporation Ltd supplying low-density polyethylene (LDPE), high-density polyethylene (HDPE) and polypropylene (PP) to West Bengal and Bihar. PFL with its subsidiaries has diversified product offerings that includes plastic caps and closures for the packaged drinking water and beverages industry in India. The company is also engaged in trading of Shrink film and plastic granules. Further, since 2024, Cool caps Industries Private limited (CCIL), the subsidiary of PFL has started liasoning services for diversification into a new revenue source within the broader plastic industry. CCIL is trying to establish as a mediator for their clients, assisting them throughout their entire business cycle, from order procurement to final dispatch thereby trying to enhance customer relationships and exploring new avenues within the plastic value chain and other businesses.

Experience promoters

Mr. Rajeev Goenka is the Promoter cum Chairman and Managing Director of the Company. has nearly three decades of experience in the field of plastic industry in India. He actively looks after the day-to-day operations of the company along with the team of experienced professionals.

Infomerics believes that the group will continue to get support through the promoter's extensive industry experience and established relation with its customers over the medium term.

Weaknesses**Moderation in profitability**

On a consolidated basis, PFL reported a strong growth in total operating income, which increased by ~62% to Rs.692.11 crore in FY26 from Rs.427.91 crore in FY25. However, the substantial increase in revenue did not translate into earnings growth, with EBITDA declining to Rs.32.89 crore in FY26 from Rs.34.56 crore in FY25. Consequently, the company's operating margin and PAT margin witnessed a sharp contraction to 4.75% and 0.94%, respectively in FY26 from 8.08% and 3.42% in FY25. The decline in profitability was primarily driven by a higher proportion of lower-margin trading revenue in the overall revenue mix and a significant increase in the prices of key petrochemical-based raw materials, including polypropylene, BOPET films, CPP films, and plastic granules. The surge in input costs was influenced by heightened volatility in crude oil-linked commodity prices and supply chain uncertainties emanating from the escalation of the US-Iran conflict and broader geopolitical tensions in the Middle East. The pressure on margins also translated into lower cash generation, with net cash accruals declining to Rs.18.14 crore in FY26 from Rs.23.56 crore in FY25.

Average debt service coverage indicators

PFL has heavy reliance on external borrowings mainly in the form of working capital borrowings. Further, affected by the increase in finance cost coupled with moderation in EBITDA, interest coverage ratio has moderated and stood at 1.99x in FY26 as against 2.22x in FY25. Further, affected by the dip in net cash accrual, Total Debt/NCA have moderated and remains stretched at 11.53 years as on March 31, 2026, against 7.95 years respectively as on March 31, 2025.

Susceptibility of profitability to volatility in the prices of raw materials and finished goods

The price of petro-products has seen a lot of volatility over the last three years. The price of key raw materials such as low-density polyethylene, linear low-density polyethylene, high-density polyethylene (HDPE) and polypropylene (PP) granules are linked to global crude oil movements, which is one of the main raw materials required for plastic industry, has witnessed volatility in the recent past. Similarly, the price realisation also linked to the input prices, where there could be squeezing of margin when the input cost increase is not fully absorbed in the selling prices

Liquidity – Adequate

The liquidity of the company is expected to remain adequate in the near to medium term marked by its expected sufficient cash accruals vis-à-vis its debt repayment obligations. However, high average working capital utilization of the company 85-90 % reflects low liquidity buffer. Any unplanned capex and stretch in operating cycle might impact the liquidity of the company.

Rating Sensitivities

Upward Factors

- Substantial and sustained growth in scale of operations with improvement in profitability and cash accrual on a sustained basis and consequent improvement in liquidity
- Improvement in capital structure marked by improvement in TOL/ATNW to below 2x and improvement debt service coverage indicators marked by interest coverage to above 3x on a sustained basis

Downward Factors

- Decline in operating income and profitability leading to deterioration in net cash accruals impacting the liquidity
- Any unplanned capex, or substantial increase in working capital borrowings leading to deterioration in the capital structure marked by moderation in TOL/ATNW to above 3x and moderation in interest coverage to below 1x.

About the Company:

Purv Flexipack Limited, the flagship company of Purv Group had started its operations in 1994 under the proprietorship firm named SR Enterprises. The company, Purv Flexipack Private Limited (PFPL) was originally incorporated May 11, 2005. Later, PFPL transitioned into a public limited entity on August 03, 2023, and later got listed on the NSE SME platform on 5th March 2024. PFL is primarily engaged in the distribution of various plastic-based products such as Biaxially Oriented Polypropylene (BOPP) film, Polyester Films, Cast Polypropylene (CPP) films, Plastic granules, Inks, Adhesives, Masterbatches, etc. In addition, it works as a Del Credere Associate (DCA), Dealer Operated Polymer Warehouse (DOPW) of Indian Oil Corporation Limited for their polymer division. In addition to distribution business in plastic-based products.

PFL has one subsidiary company namely Cool Caps Industries Limited, an NSE SME Listed company and four step down wholly owned subsidiary companies namely Purv Technoplast Private Limited, Purv Packaging Private Limited, Purv Ecoplast Private Limited and Re.act Waste Tech Private Limited. PFL is led by the promoter and Director, Mr. Rajeev Goenka, who has more than 30 years of experience in the plastic industry.

Key Financial Indicators (Consolidated)

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	427.91	692.11
EBITDA	34.56	32.89
PAT	14.94	6.58
Total Debt	187.19	209.17
Tangible Net Worth (TNW)	157.61	161.43
EBITDA Margin (%)	8.08	4.75
PAT Margin (%)	3.42	0.94
Overall Gearing (times)	1.62	1.76
Interest Coverage (times)	2.22	1.99

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

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

[Rating Methodology for Trading Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Policy on Default Recognition](#)

[Criteria of assigning Rating Outlook](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Criteria of Consolidation of Companies](#)

Status of non-cooperation with previous CRA: Care Edge Ratings has continued the ratings under Issuer Not Cooperating vide PR dated September 01, 2025, since the company had failed to provide information for monitoring of the rating.

Any other information: NA

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 2023-24
					Sep 10, 2025		
1.	Fund based facilities	LT	86.15	IVR BBB- /Negative	IVR BBB- /Stable	-	-
2.	Non-Fund based facilities	ST	10.50	IVR A3	IVR A3	-	-

Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon	Maturity Date	Size of Facility	Rating Assigned/ Outlook	Listing Status	Regulator [^]	Complexity Indicator
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/Secur ity			Rate/ IRR		(Rs. Crore)				
Term Loan I	-	-	-	May 2028	6.56	IVR BBB-/Negative	NA	RBI	Simple
Term Loan II	-	-	-	June 2029	2.39	IVR BBB-/Negative	NA	RBI	Simple
Cash Credit I	-	-	-	-	9.25	IVR BBB-/Negative	NA	RBI	Simple
Dealer Financing	-	-	-	-	49.50	IVR BBB-/Negative	NA	RBI	Simple
Channel Finance	-	-	-	-	8.45	IVR BBB-/Negative	NA	RBI	Simple
Bank Guarantee	-	-	-	-	3.00	IVR A3	NA	RBI	Simple
Letter of Credit	-	-	-	-	7.50	IVR A3	NA	RBI	Simple
Proposed Fund Based	-	-	-	-	10.00	IVR BBB-/Negative	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_Purv_Flexipack_5june26_57a548b5ef.pdf

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

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

Name of the entity	Extent of Consolidation	Rationale for consolidation
Purv Flexipack Limited	Full	Subsidiaries with common promoters & management. Same line of businesses, Cash flow fungibility
Cool Caps Industries Limited	Full	
Purv Ecoplast Private Limited	Full	
Purv Packaging Private Limited	Full	
Purv Technoplast Private Limited	Full	
Re.Act Waste Tech Private Limited	Full	

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) *	SEBI
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/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
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 ~	Refer foot note
15	Issuer Ratings #	Refer foot note
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	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
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 Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

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.

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

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

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