



Press Release

Captain Polyplast Limited

March 17, 2026

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-Term Bank Facilities	103.28 (Enhanced from Rs. 78.86 crore)	IVR BBB / Stable (IVR Triple B with Stable Outlook)	IVR BBB / Stable (IVR Triple B with Stable Outlook)	Rating Reaffirmed	Simple
Short-Term Bank Facilities	26.68	IVR A3+ (IVR A Three Plus)	IVR A3+ (IVR A Three Plus)	Rating Reaffirmed	Simple
Total	129.96	(Rupees One Hundred Twenty-Nine Crores and Ninety-Six Lakhs Only)			

Details of Facilities/Instruments are in Annexure 1.

Facility-wise lender details are in Annexure 2.

Detailed explanation of covenants is in Annexure 3.

Detailed Rationale

Infomerics has reaffirmed the ratings assigned to the bank facilities of Captain Polyplast Limited (CPL), which continue to derive strength from the experienced promoters and extensive presence in the micro irrigation market, strategic diversification into Solar EPC business, healthy financial risk profile, together with backward integration, which will further lead to improvement in profitability margins. The rating strengths are, however, tempered by high working capital intensity with long receivable days, susceptibility to regulatory changes and volatility in raw material prices.

The stable outlook reflects Infomerics expectations of steady revenue growth, along with stable profitability over FY26-FY28. Outlook factors in the benefits of cost savings from in-house production of certain components, which were bought out earlier. Entry into the solar water pumps business is also expected to boost revenues significantly from FY27 onwards, while helping CPL achieve revenue diversification and stability of cash flows.



Press Release

Key Rating Sensitivities

Upward Factors

- Sustained & significant improvement in revenue & profit margins while maintaining the current financial profile
- Significant and sustained improvement in working capital cycle

Downward Factors

- Further deterioration in the working capital cycle
- Any decline in scale of operations and/or profitability leading to sustained deterioration of liquidity and/or debt protection parameters

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Extensive experience of the promoters:**

Mr Ramesh Khichadia (Managing Director) has extensive experience in the field of irrigation business, with 30+ years of experience. An alumnus of Gujarat Agriculture University, he holds a distinguished B. Tech degree in Agriculture Engineering. Mr Gopal Khichadia (Director) also brings a wealth of knowledge and expertise that has played a transformative role in the growth and success of the company. His 20+ years of extensive experience and insights into the PVC pipes industry equips the company with a competitive advantage.

- **Established presence in the industry:**

CPL has been in the business since 1997, and the company has built up a diversified distributor channel of 750+ dealers across 18 states and has gained trust among the customers. CPL has also expanded in various regions of India during this tenure. The company's strong reputation in the domestic market is reflected in its wide clientele, which includes Gujarat Green Revolution Company Ltd (a SPV owned by the Gujarat govt.), Andhra Pradesh Micro Irrigation Project, Dept of Horticulture and Food Processing, Madhya Pradesh, etc.



Press Release

- **Comfortable financial risk profile:**

The company reported marginal moderation in revenue in FY25, with total operating income declining slightly to ₹286.8 crore from ₹294.3 crore in FY24 (~2.5% decline). The decline is primarily attributable to lower execution of irrigation orders and moderation in demand during certain quarters. Despite the slight decline in revenue, the company was able to sustain operating margins, with EBITDA margin improving marginally from 10.8% in FY24 to 11.2% in FY25. The stability in margins was supported by better cost control, stable raw material prices (mainly polymer-based inputs used in irrigation systems), and improved operational efficiencies, which helped offset the impact of lower revenue during the year. Gearing was 0.46 times as on March 31, 2025, and the total outside liabilities to adjusted net worth ratio was at 0.88 times. CPL strengthened its capital structure through a preferential issue of 0.48 Crore convertible warrants aggregating to a potential ₹34.56 crore infusion. In FY25, the warrants resulted in an inflow of ~₹8.64 crore and in FY26, an inflow of ~₹23.22 crore. Accordingly, the company has received ~₹31.86 crore out of ₹34.56 crore, with 43.00 lakh warrants converted into equity.

Going forward into FY26, revenue is expected to witness strong recovery and growth, with operating income projected to increase to over ₹360 crore, supported by 9MFY26 performance, where the company have already achieved ~75% of the projected revenue.

- **Diversified product profile:**

CPL has evolved from a predominantly micro-irrigation player into a multi-product agri-inputs and renewable solutions company, offering an integrated portfolio that enables cross-selling across its farmer and institutional customer base. The company manufactures and supplies a comprehensive range of drip irrigation systems (mainlines, sub-mains, laterals and drippers) and sprinkler systems, along with critical irrigation accessories such as compression fittings, control valves and filtration units. Beyond irrigation hardware, the product basket further includes water-soluble fertilisers, mulch films, HDPE/UPVC pipes & fittings, and polymer products, allowing the company to provide end-to-end farm solutions. With empanelment such as ~1,500 solar pumps (~₹36 crore order size) and additional allocations under government schemes, the diversification now spans both irrigation equipment and solar EPC-linked



Press Release

offerings. This broader portfolio supports revenue diversification, enhances customer stickiness through bundled offerings, and mitigates single-segment concentration risk, while also enabling margin optimisation through higher value-added products. CPL also has a steady revenue stream from its indenting business for polymer granules of Linear Low Density Poly Ethylene (LLDPE) and High Density Poly Ethylene (HDPE) for its principal Indian Oil Corporation Ltd.

- **Capacity expansion supporting backwards integration and margin improvement**

CPL has undertaken a structural capacity expansion initiative through the development of a new manufacturing facility near Ahmedabad, Gujarat, involving acquisition of ~3.30 lakh sq. ft. land and construction of a 0.70 lakh sq. ft. plant, with full-scale operations expected from April 2026. The facility will internalise production of injection-moulded components and irrigation accessories. This will improve cost control, enhance operational efficiency and support EBITDA margin expansion through backward integration. The plant will augment the company's manufacturing footprint beyond its existing Rajkot and Kurnool units while providing headroom for future capacity additions, enabling volume growth across both micro-irrigation and solar EPC segments without near-term capex pressure. The project entails a total cost of ~₹12.00 crore, funded largely through a ~₹9.26 crore term loan with the balance from internal accruals, and is expected to strengthen production flexibility and competitive positioning in domestic as well as export markets

Key Rating Weaknesses

- **Working capital-intensive nature of operations and longer operating cycle:**

CPL's operations are characterised by a stretched working capital cycle, largely due to slow realisation of trade receivables and large inventory holdings. Receivable days have increased from 97 days in FY23 to 232 days in FY25. However, given CPL's presence in the micro-irrigation segment, such elongated cycles are structural in nature, as subsidy receivables from central and state governments (constituting ~70–80% of system value) are realised post-installation and verification. But this extended collection period ties up significant cash in



Press Release

current assets, which in turn suppresses liquidity and constrains operational flexibility. A key reason for high receivables at year's end is that revenues in H2 tend to be significantly higher than H1, with the highest revenues booked in Q4.

The combination of slow collections and high inventory often results in negative or weak free cash flow, limiting the company's ability to self-fund growth or absorb cyclical downturns.

- **Susceptibility to regulatory changes and volatility in raw material prices:**

As government subsidies are major growth drivers in the Micro Irrigation System (MIS) industry, the business remains vulnerable to any unfavourable change in government policies on MIS. Moreover, since cost of procuring the raw materials (HDPE granules, low density polyethylene granules, pipes and PVC resins) accounts for majority of total production cost, even a marginal increase in raw material prices will materially impact profitability.

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 and Post Default Curing Period](#)

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

Liquidity: Adequate

Liquidity profile of CPL appears to be adequate with the current ratio of 2.13x and quick ratio of 1.79x as on March 31, 2025; both have been improved from FY24. The company is earning a comfortable level of Gross Cash Accruals (GCA), which stood at Rs. 17.33 crore for FY25, and the same is expected to improve during the projected period with an increase in scale of operations. Infomerics estimates the GCA to be in the range of ~Rs. 26.00 crores to Rs. ~40.00 crores annually during the projected period, which is adequate, considering that the scheduled term loans repayments are expected to be under Rs.2 crores annually. The company has a cash & bank balance of Rs. 0.02 crore as on March 31, 2025. The average working capital utilisation level stood at ~75-85% cash credit limits during the twelve months ended January



Press Release

2026. Recently, CPPL have received an enhancement of CC limits from the State Bank of India by Rs. 50 Cr, which will ease the working capital position. These limits are exclusively for the solar water pumps business, and drawdown of funds will be contingent on the company winning additional government tenders in the solar water pumps domain.

About the Company

Incorporated in 1997, Captain Polyplast Limited (CPL) offers a complete range of micro irrigation solutions with manufacturing facilities at Rajkot (Gujarat) and Kurnool (Andhra Pradesh). Company has diversified into fast growing solar EPC market and polymer marketing. The company has marketing and distribution network across 16 states in India which cover ~90% of micro irrigation market in India. CPL exports its products to countries in Africa, Latin America and Middle East. Within a very few years, company have established itself as a prominent brand in the industry. CPL's product range includes HDPE Pipes and Irrigation Equipment including Drip Irrigation Systems, Sprinkler Irrigation Systems, Disc Filters, Screen Filters, Hydro-Cyclone Filters, Sand (Gravel) Filters, Compression Fittings, Valves (Electric & Mechanical), Fertilizer Tanks, Digital Controllers, Pressure Gauges, etc..

Financials (Standalone):

	(Rs. crore)	
For the year ended/ As On*	31-3-2024 (Audited)	31-3-2025 (Audited)
Total Operating Income	294.32	286.84
EBITDA	31.78	32.19
PAT	16.60	30.38
Total Debt	102.07	66.49
Tangible Net-worth	91.67	145.73
Ratios		
EBITDA Margin (%)	10.80	11.22
PAT Margin (%)	5.58	10.48
Overall Gearing ratio (x)	1.11	0.46
Interest Coverage (x)	2.90	3.25

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for the last three years:



Press Release

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
	PR Date			March 17, 2025	--	March 28, 2024	--
1.	Cash Credit	Long Term	92.60	IVR BBB/ Stable	--	IVR BBB-/Stable	--
				IVR BBB/ Stable (May12 ,2025)			
2.	WCTL/GECL	Long Term	6.29	IVR BBB/ Stable	--	IVR BBB-/Stable	--
				IVR BBB/ Stable (May12 ,2025)			
3.	Term Loan	Long Term	4.39	IVR BBB/ Stable	--	--	--
4.	Bank Guarantee	Short Term	14.00	IVR A3+	--	IVR A3	--
				IVR A3+ (May12 ,2025)			
5.	Letter of Credit	Short Term	12.50	IVR A3+	--	IVR A3	--
				IVR A3+ (May12 ,2025)			
6.	CEL	Short Term	0.18	IVR A3+	--	IVR A3	--
				IVR A3+ (May12 ,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



Press Release

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: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Bank Facility – Cash Credit	-	-	-	-	92.60	IVR BBB/ Stable
Long Term Fund Based Bank Facility – WCTL/GECL	-	-	-	-	6.29	IVR BBB/ Stable
Long Term Fund Based Bank Facility - Term Loan	-	-	-	-	4.39	IVR BBB/ Stable
Short Term Non-Fund Based Bank Facility –Letter of Credit	-	-	-	-	12.50	IVR A3+
Short Term Non-Fund Based Bank Facility –CEL	-	-	-	-	0.18	IVR A3+
Short Term Non-Fund Based Bank Facility –Bank Guarantee	-	-	-	-	14.00	IVR A3+



Press Release

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_Captain_Polyplast_mar26_87b938de92.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.