

## Balson Polyplast Private Limited

March 25, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	32.82	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	7.50	CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

\*Issuer did not cooperate; based on best available information.

### Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Balson Polyplast Private Limited (BPPL) to monitor the rating(s) vide e-mail communications/ letters dated March 12, 2025, February 27, 2025, February 24, 2025, February 18, 2025, and February 14, 2025, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. Also, BPPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on UCPL's bank facilities will now be denoted as **CARE BB; Stable/ CARE A4 ISSUER NOT COOPERATING\***

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above ratings.**

The rating has been revised on account of non-availability of requisite information to conduct the review. The ratings assigned to the bank facilities of BPPL are constrained on account of its moderate scale of operations, moderate profitability, low network base, stretched liquidity, susceptibility of profitability to raw material price volatility and its presence in a competitive industry. The ratings, however, positively factor in BPPL's experienced promoters, its moderate capital structure and healthy demand outlook with government support to industry in form of subsidy.

**Analytical approach:** Standalone

### Outlook: Stable

Stable outlook reflects CARE Ratings Limited's (CARE Ratings') expectation that BPPL shall continue to benefit from its experienced promoters and government thrust to Drip irrigation systems.

### Detailed description of key rating drivers

At the time of last rating, following were the rating weaknesses and strengths (updated from FY24 audit report):

#### Key weaknesses

##### Moderate Scale of Operations and profitability

BPPL's total operating income (TOI) registered compounded annual growth rate (CAGR) of 23% over the past 3 years and stood moderate at Rs.123.90 crore in FY23 as against Rs.63.66 crore in FY21. BPPL's PBILDT margin also remained moderate in the range of 9% to 13% over the past 3 years with PBILDT margin of 10.03% in FY23. In FY24, BPPL registered TOI of Rs. 148.45 crore with PBILDT margin of 11.08%.

##### Susceptibility of profitability to raw material price fluctuation and presence in a competitive industry

Key raw material for BPPL are HDPE granules, PVC and plastic, prices of which remain highly volatile. On the other hand, prices of the finished products that BPPL produces are predetermined by government bodies and thus any change in price of raw materials is not entirely passable to the end user i.e. farmers. However, the end product prices are revised in case of any major change in raw materials prices. Also, the industry is highly competitive with presence of large number of small unorganized players.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Limited's publications.

## Key strengths

### Experienced Promoters

The promoters of BPPL have over thirty years of experience in irrigation system implementation. The long-standing experience of promoters have helped them built strong relationships with the dealers and suppliers and their understanding of market dynamics is expected to continue to benefit BPPL. BPPL has a widespread presence across country with its offices in 8 states and distribution network in around 15-20 states.

### Government support to industry in form of subsidy

In order to drive demand for drip irrigation systems, the state governments provide the system to farmers on subsidized rate whereas balance portion is borne by the state government. The billed amount (including subsidy) from various state governments are generally received within 1 to 3 months of sales by BPPL or any of its dealers and hence collection period remains elongated. The percentage of subsidy offered differs across states.

### Moderate Capital Structure and Moderate debt coverage indicators albeit low network base

The capital structure of BPPL was moderately leveraged marked by overall gearing of 1.28x at FY23 end as against 1.22x at FY22 end. However, Network base of the company remained low at Rs.25.53 crore as on FY23 end. Debt coverage indicators were moderate with PBILDT interest coverage and TDCGA of 3.17x and 4.64x respectively in FY23. At FY24 end, network base of the company grew to Rs. 31.95 crore.

## Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

## About the company and industry

### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital Goods	Industrial Products	Plastic Products - Industrial

Balson Polyplast Private Limited was incorporated in 1999 and its manufacturing facilities are based at Rajkot, Gujarat. It manufactures and installs irrigation systems including drip systems, mini-sprinklers, sprinklers, garden accessories, rigid PVC pipes, and HDPE pipes and fittings. The company is promoted by Mr. Jamanbhai Baldha, Mr. Kishorbhai Baldha, Mirajbhai Baldha and Mr. Vipul Pansuriya.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
Total operating income	123.90	148.45
PBILDT	12.43	16.45
PAT	5.19	6.42
Overall gearing (times)	1.28	NA
Interest coverage (times)	3.17	NA

A: Audited UA: Unaudited; Note: these are latest available financial results; NA: not available

**Status of non-cooperation with previous CRA:** Brickwork continued to place the ratings of Balson Polyplast Private Limited under 'Issuer not cooperating' category vide press release dated November 25, 2024, on account of its inability to carry out a rating exercise in the absence of the requisite information from the company.

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	30.00	CARE BB; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	6.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit		-	-	-	1.50	CARE A4; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	29/02/2029	2.82	CARE BB; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Cash Credit	LT	30.00	CARE BB; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (10-Apr-24)	-	-	-
2	Non-fund-based - ST-Bank Guarantee	ST	6.00	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4+ (10-Apr-24)	-	-	-
3	Non-fund-based - ST-Letter of credit	ST	1.50	CARE A4; ISSUER NOT COOPERATING*	1)CARE A4+ (10-Apr-24)	-	-	-
4	Term Loan-Long Term	LT	2.82	CARE BB; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (10-Apr-24)	-	-	-

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities:** Not applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Letter of credit	Simple
4	Term Loan-Long Term	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

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### About us:

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### Disclaimer:

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