

BDG Polysteel Limited

July 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	11.00	CARE BB+; Stable	Reaffirmed
Short Term Bank Facilities	8.62	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of ratings assigned to the bank facilities of BDG Polysteel Limited (BDGPL) continue to remain constrained by small scale of operations albeit improvement in FY25, intense competition due to low entry barriers and the profitability being susceptible to fluctuations in raw material prices.

The ratings, however, continue to derive comfort from the experience of the promoters with a long track record in the industry, diversified clientele portfolio, healthy albeit moderating operating margins and comfortable capital structure & moderate debt coverage indicators.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in the scale of operations (turnover > ₹60 crores) while maintaining operating margins at over 12% on a sustained basis.
- Improvement in the inventory cycle below 120 days on a sustained basis.

Negative factors

- Any further decline in scale of operations (turnover < ₹35 crores) on a sustained basis.
- Increase in external debt levels, leading to a notable deterioration in the capital structure (overall gearing > 1x).
- Any significant debt-laden capex, leading to a deterioration in the capital structure from the current levels.

Analytical approach: Standalone

Outlook: Stable

The stable outlook on the long-term rating reflects the ability of the company to scale up its operational performance while maintaining its financial performance and deriving comfort from the experience of its promoters.

Detailed description of key rating drivers

Key Weaknesses

Small scale of operations albeit improvement in FY25

The scale of operations of the company remained small at Rs. 56.11 crore in FY25 (UA), though the same improved by ~46.35% on a y-o-y basis from ₹38.34 crores in FY24. The improvement in scale of operations was majorly on account of increase in sales volume by 14% y-o-y basis along with increase in sales realisation of PE sheet. The scale is expected to improvement further in FY26 backed by higher demand of the product.

Intense competition due to low entry barriers

BDGPL faces intense competition due to the presence of several local market players in the mattress and foam industry on account of low entry barriers, which restricts the company's ability to transform itself into a price maker.

Profitability susceptible to fluctuations in raw material prices:

The company purchases the bulk of its main raw material – Low density polyethylene (LDPE) granules (accounting for more than 89% of the total cost) from Reliance Industries Limited (RIL), which is the market leader in the manufacturing of LDPE granules, which exposes BDGPL to supplier concentration risk and provides it with little bargaining power. Furthermore, LDPE, being a petroleum derivative, is highly susceptible to changes in crude oil prices, which cannot be immediately passed on to the customers. Hence, the profitability of BDGPL is susceptible to the fluctuations in raw material prices.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Key Strengths

Experienced promoters with a long track record of operations

The promoters command a presence of more than two decades in the plastic and plastic products industry through the manufacturing of plastic products in a group company based in Daman, which was later converted into a manufacturing unit for Polyethylene (PE) sheets. The same has helped the group set up a new plant for BDGPL and also establish reputable relationships with its diversified clientele. The day-to-day operations of the company are looked after by Alok Goyal, Managing Director, along with support from a team of experienced professionals. BDGPL is part of the Goyal Group of Companies, which is also present in the iron and steel sector through its flagship group company - BDG Metal & Power Limited. In the past, promoters have supported the company through unsecured funds.

Portfolio of diversified clientele

BDGPL supplies its products to a pool of diversified customers, mainly in the mattress and packing industries. The top 10 customers accounted for around 50.44% of the total sales in FY25 (PY: 56.47%). The diversified clientele base helps the company to mitigate client concentration risk and also to pass on the volatility in the prices of raw materials to its customers to a certain extent, which helps maintaining its margins in the long run. CARE Ratings is of the opinion that the client portfolio will continue to be diversified going forward too.

Healthy operating margins

BDGPL's operating margin continue to remain healthy and improved further to 9.73% in FY25 (PY: 8.72%). The improvement in margins are majorly owing to increased volume sales along with moderation in raw material prices in FY25. With the scale of operation expected to improve further in FY26, the margins are expected to sustain.

Comfortable capital structure and moderate debt coverage indicators

BDGPL's capital structure has improved as the overall gearing on March 31, 2025 stood at 0.50x (PY: 0.70x) owing to reduction in term loan due to timely servicing of long-term debt, lower utilisation of working capital limits and accreditation of net worth; the same is expected to sustain in the short to medium term. The total debt (TD) of the company as on March 31, 2025, mainly consists of unsecured loans from promoters and group entities and the rest as working capital limits.

The debt coverage indicators improved during FY25 with Total Debt to Gross Cash Accruals (TD/GCA) of 3.41x (PY: 6.71x) and interest coverage ratio of 7.59x (PY: 3.48x) as on March 31, 2025 owing to improvement in overall performance.

The healthy capital structure of the company is expected to sustain in the medium term, owing to no major debt-laden capex plans.

Liquidity: Adequate

The liquidity position of the company stood adequate. The company generated cash accruals of ₹4.77 crores in FY25 against which it had term debt repayment obligation of ₹0.48 crores. The company has nil debt repayment obligation in FY26, as the company doesn't plan to add any further term loan. The working capital utilisation has also remained moderate at around 47% in the past 12 months ended March 2025.

BDGPL maintains a high level of inventory. The average inventory days in last two fiscal year(s) remained high at 185 days. Gross current asset days were very high at 219 days on an average basis. While cash-flow from operations was positive at Rs. 6 crore in FY25.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[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

BDG Polysteel Limited (BDGPL) is a public limited company (unlisted) that was taken over by the Ram Chandra Goyal group in 2015, but it became operational only in 2017 in a phased manner. The company manufactures and trades PE sheets, PU foams and mattresses. The company operates at an installed capacity of 3,000 MTPA for its PE sheets divisions, 50 MTPA for its PU foam divisions and 70,000 Pcs PA for its mattress division. Its manufacturing facility is located in Uluberia, West Bengal. BDGPL is part

of the Goyal group of companies which includes entities like BDG Metal & Power Limited which is an integrated TMT bar manufacturer.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	38.34	56.11
PBILDT	3.34	5.46
PAT	0.69	2.49
Overall gearing (times)	0.70	0.50
Interest coverage (times)	3.48	7.59

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	11.00	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	1.62	CARE A4+
Non-fund-based - ST-Letter of credit		-	-	-	7.00	CARE A4+

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 2025-2026	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
1	Non-fund-based - ST-Bank Guarantee	ST	1.62	CARE A4+	-	1)CARE A4+ (10-Sep-24)	1)CARE A3 (06-Sep-23)	-
2	Fund-based - LT-Cash Credit	LT	11.00	CARE BB+; Stable	-	1)CARE BB+; Stable (10-Sep-24)	1)CARE BBB-; Stable (06-Sep-23)	-
3	Non-fund-based - ST-Letter of credit	ST	7.00	CARE A4+	-	1)CARE A4+ (10-Sep-24)	1)CARE A3 (06-Sep-23)	-

LT: Long term; ST: 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

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 for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-67543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Arindam Saha Director CARE Ratings Limited Phone: +91-033-4018-1631 E-mail: arindam.saha@careedge.in</p> <p>Gopal Pansari Associate Director CARE Ratings Limited Phone: +91-33-4018 1647 E-mail: gopal.pansari@careedge.in</p> <p>Soumadip Kumar Lead Analyst CARE Ratings Limited E-mail: Soumadip.Kumar@careedge.in</p>
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