

Packem Umasree Private Limited

July 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	129.00 (Enhanced from 119.00)	CARE BB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	13.00	CARE BB+; Stable / CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Packem Umasree Private Limited (PUPL) continue to be constrained on account of stabilisation risk associated with recently completed debt funded capex, leveraged capital structure and stretched liquidity. Ratings are further constrained with vulnerability of its margins to volatility in raw material prices and foreign exchange rates and its presence in competitive and fragmented plastic packaging/ Flexible Intermediate Bulk Container (FIBC) industry, albeit with good demand prospects. The ratings also take into account moderate operating performance post commencement of operations. The rating, however, derives strength from healthy profitability of PUPL compared to its peers, its promoters' long-standing experience in plastic packaging (FIBC) industry along with favourable location of its manufacturing facility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Total Operating Income (TOI) of over Rs.150 crore with healthy profitability on sustained basis.
- Improvement in capital structure with an overall gearing below 1.80 times on sustained basis.

Negative factors

- Decline in Total Operating Income (TOI) below Rs.100 crore with moderation in PBILDT margin below 15%.
- Elongation in working capital cycle days beyond 120 days
- Deterioration in overall gearing beyond 3.50x on a sustained basis

Analytical approach: Standalone

Outlook: Stable

The stable outlook reflects CARE Ratings Limited's (CareEdge Ratings') expectation that the company's operations are likely to stabilise in FY26 (i.e. first full year operations) with growth in Total Operating income, supported by its experienced promoters.

Detailed description of key rating drivers:

Key weaknesses

Stabilisation risk associated with recently completed debt funded capex

The operations from PUPL's newly set up greenfield plant had partially commenced from October, 2024 as per scheduled COD, with full-fledged operations commencing from December, 2024. Scale of operations of the firm thus remained moderate, with total operating income (TOI) of ₹29.54 crore during FY25. Profitability remained healthy with PBILDT margin of 15%, which is comparatively better than the peers owing to environmentally sustainable packaging solutions provided by company with focus on meeting the carbon footprint requirements of clientele base in export markets. However, successful scaling of operations while maintaining its profitability is to be seen and shall be critical from credit perspective.

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

Leveraged Capital Structure

Owing to recently concluded debt funded capex, the capital structure of the company remained leveraged as marked by an overall gearing of 3.14 times as on March 31, 2025. Furthermore, the firm's capital structure is likely to remain leveraged in near to medium term with expected sizeable utilization of working capital borrowings with scaling of operations. Networth base of company stood at Rs.47.55 crore as on March 31, 2025.

Vulnerability of profitability to volatile raw material prices and foreign exchange rates

The key raw material for the proposed plant is used PET bottles, which is sourced domestically from various scrap dealers. The prices of which are highly volatile depending on the availability in the market. This exposes company to price uncertainty risk. Hence, its timely availability at favourable market prices plays a crucial role in sustaining the margins of the company. Apart from that, company requires coating / lamination material, yarn, and liners for further manufacturing process, the same is sourced from open market. However, PUPL is likely to benefit from the established network of suppliers of its associate group entities which are already into the business of plastic based packaging solutions.

Further, the newly set up plant is 100% export-oriented unit, against which its entire raw material requirement is proposed to be procured from domestic market, hence in the absence of natural hedge, profitability of company will be exposed to the risk associated with foreign exchange fluctuation depending upon the level of hedging.

Competitive FIBC industry, although with good demand prospects

The FIBC industry is highly fragmented, marked by numerous players in the organised and unorganised sector with low entry barriers due to readily available technology. This results in high competition, limiting the scale of players involved, while profitability varies based on the end-use applications.

However, traditional FIBC sacks/bags (made from PP material) have some major limitations as being highly flammable and non-biodegradable. As a result, recently, various developed countries are gradually shifting towards development of sustainable methods for meeting their packaging needs and reducing overall carbon footprints. This augurs well for demand prospects for sustainable and environmentally friendly packaging solutions. Also, with Government's focus on promoting the use of recyclable products, the demand of rPET based FIBC is likely to witness healthy growth.

Key strengths

Experienced promoters in plastic packaging industry

PUPL is promoted Mr. Anup Gopalka, Mr. Punit Gopalka (promoters of M/s. Umasree Texplast Private Limited (UTPL: Rated CARE BBB-; Stable/CARE A3)) and Mr. Lazaro Eduardo Dos Santos Neto and Mr. Marcos Vinicius Spitzner Filho (Promoters/executive of M/s. Packem SA, Brazil). The promoters have a long standing experience of over three decades in the packaging industry through their earlier employment and association with other group entities engaged in similar line of business.

Also, both the entities in this joint venture have been in the business of manufacturing and supply of sustainable and PP based packaging solution for over three decades with good market presence including in export markets along with established supplier and customer base. UTPL is presently exporting its products in more than 25 countries and has been notified as certified export house by Government of India. While Packem SA is already making use of the patented technology from Starlinger for recycling of PET Bottles into FIBC bags. Packem SA also has a supply agreement with Yara International ASA (Yara) of Brazil for supply of sustainable big bags for its packaging needs.

Also, promoters are resourceful and have infused equity contribution of Rs.54.78 crore for the greenfield capex.

Strategic location of the plant

The proposed plant of PUPL is located in industrially developed area of Ahmedabad, Gujarat, which is considered as a major hub for manufacturing of FIBC Bags. Also, all infrastructure facilities such as raw material, power supply, skilled / semiskilled labour, communication etc. are readily available. Also, from the view point of connectivity, the plant location is well connected by road & rail and sea ports.

The manufacturing unit is also eligible for assistance in form of capital subsidy under the 'Scheme of Assistance for Common Environment Infrastructure (Gujarat Industrial Policy 2020)'.

Liquidity: Stretched

Liquidity of company remains stretched with tightly matched cash accruals vis-à-vis its repayment obligations. The average utilisation of working capital limits have remained moderate at 46% in trailing eight months ended March, 2025, however with scale up of operations, the working capital intensity is expected to increase going forward. Current ratio of company stood adequate at 1.17x at FY25 end. The company also needs to maintain DSRA balance of equivalent to 1 quarter of principal repayment/ interest.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

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

Ahmedabad, Gujarat based Packem Umasree Private Limited (PUPL) was incorporated on August 16, 2022, as a Joint Venture company of M/s. Packem SA, a renowned Brazilian company engaged in manufacturing and supply of both sustainable and PP based packaging solution and the promoters of Ahmedabad based M/s. Umasree Texplast Private Limited (UTPL: Rated CARE BBB-; Stable/CARE A3), which is engaged into manufacturing and supplier of FIBC packaging solutions.

PUPL has set up a greenfield project at Ahmedabad, Gujarat for manufacturing of FIBC/ Jumbo Bags with recycled PET Bottles (Scrap) with installed capacity of 8400MT per annum. The recycling facility of PET Bottles will result into manufacturing of PET Flakes with installed capacity of 15,000 MT per Annum, which will be used for manufacturing of FIBC Bags and surplus capacity. The project was completed at cost of Rs.172 crore, funded through term loan of Rs.117.00 crore, remaining through promoter's contribution of Rs.54.78 crore in the form of equity. Partial operations have commenced from October, 2025, however, the full-fledged operations commenced from December, 2024.

Brief Financials (₹ crore)	March 31, 2025 (Prov.)^
Total operating income	29.54
PBILDT	4.44
PAT	(6.67)
Overall gearing (times)	3.03
Interest coverage (times)	0.64

Prov.: Provisional, Note: these are latest available financial results ^Operations have commenced from October, 2024.

Status of non-cooperation with previous CRA: Nil

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		-	-	-	12.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	June, 2033	117.00	CARE BB+; Stable
LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG		-	-	-	8.00	CARE BB+; Stable / CARE A4+
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	5.00	CARE BB+; Stable / 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	Fund-based - LT-Term Loan	LT	117.00	CARE BB+; Stable	-	1)CARE BB+; Stable (29-Apr-24)	-	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	5.00	CARE BB+; Stable / CARE A4+	-	1)CARE BB+; Stable / CARE A4+ (29-Apr-24)	-	-
3	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	LT/ST	8.00	CARE BB+; Stable / CARE A4+	-	1)CARE BB+; Stable / CARE A4+ (29-Apr-24)	-	-
4	Fund-based - LT-Cash Credit	LT	12.00	CARE BB+; Stable	-	1)CARE BB+; Stable (29-Apr-24)	-	-

LT: Long 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	Fund-based - LT-Term Loan	Simple
3	LT/ST Fund-based/Non-fund-based-CC/WCDL/OD/LC/BG	Simple
4	Non-fund-based - LT/ ST-Bank Guarantee	Simple

Annexure-5: Lender details

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

Note on complexity levels of rated instruments: CareEdge 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.

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