

Dirco Polymers Private Limited

January 05, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	34.49	CARE BB+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable and moved to ISSUER NOT COOPERATING category
Long-term / Short-term bank facilities	3.51	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE BBB-; Stable / CARE A3 and moved to ISSUER NOT COOPERATING category
Short-term bank facilities	40.00	CARE A4+; ISSUER NOT COOPERATING*	Downgraded from CARE A3 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 Dirco Polymers Private Limited (DPPL) to monitor the ratings vide e-mail communications/letters dated November 18, 2025, November 21, 2025, December 09, 2025, December 15, 2025, December 26, 2025; among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the ratings 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 ratings on Dirco Polymers Private Limited'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 rating(s).

The ratings have been downgraded on account of non-availability of requisite information due to non-cooperation by DPPL with CARE Ratings Ltd.'s efforts to undertake a review of the ratings outstanding. CARE Ratings Ltd. views information availability risk as a key factor in its assessment of credit risk. Further, the ratings remain constrained by the company's elongated operating cycle and its exposure towards group entities through corporate guarantee. Ratings further continue to take cognisance of risk associated with foreign exchange fluctuation risk, raw material price volatility risk and its presence in competitive industry. The ratings, however, continues to derive comfort from the steady growth in scale of operations in the last three fiscals ending FY25 (refers to April 01 to March 31), stable profitability and financial risk profile. Ratings, further continue to derive comfort from the experienced directors and long track record of operations and its established relationship with reputed and diversified customer base due its established position in the regional market.

Analytical approach: Standalone; However, there is cross corporate guarantee given by Dirco Polymers Private Limited (DPPL) and Agarwalla Teak International Private Limited (ATIPL) for each other's bank facilities owing to common collateral.

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating on December 03, 2024, the following were the rating strengths and weaknesses: (updated based on limited information provided by the client)

Key weaknesses

Elongated operating cycle: The company's operations continue to remain elongated as evident from operating cycle which stood at 146 days in FY25 (PY: 149 days) owing to elongation in collection period and inventory holding period. Company generally procures a large amount of raw material in bulk in the last quarter to mitigate the risk of price volatility; thus, inventory levels used to be on higher side. Moreover, the company primarily sources goods from foreign suppliers, which typically takes around two months of lead time for delivery of goods. Thus, the company maintains inventory of ~2-3 months for smooth execution of its manufacturing activities and to ensure prompt delivery to its customers resulting in an average inventory holding period of ~86 days for FY25. DPPL offers liberal credit period to its customers as majority are large sized

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

players which possess high bargaining power compared to other DPPL's clients resulting in an average collection period of 93 days for FY25. DPPL receives payable period of ~2-3 months from its suppliers resulting in average creditor period of 33 days for FY25.

Exposure towards group entities through corporate guarantee: DPPL and ATIPL has extended cross corporate guarantee for each other's bank facilities. ATIPL's bank facilities are backed by corporate guarantee provided by DPPL of ₹93.50 crore and DPPL has also got corporate guarantee for debt facilities amounting to ₹87.76 crore from ATIPL as on March 31, 2025. ATIPL is engaged in wholesale trading of timber logs and timber and has an established track record of over four decades in the timber industry. Funded financial support provided by DPPL to ATIPL shall be crucial for the company's credit profile and shall remain credit negative.

Foreign exchange fluctuation risk: DPPL meets ~45% in FY25 of its procurement in the form of imports while it sells its finished products in domestic market. With initial outlay in foreign currency and inflows in domestic currency, exposing DPPL to volatility in foreign exchange rates. The company does not hedge its foreign currency exposure, thus, DPPL's operating margins and cash accruals remained vulnerable to the adverse fluctuation in exchange rates.

Raw material price volatility risk: DPPL's major raw materials include plastic polymers, titanium, pigments, and additives among others constitute over 75% of the production's total cost for the last three financial years (FY23- FY25). Since the basic raw materials are petrochemical derivatives, DPPL is exposed to the risk of sharp volatility in the prices of crude oil/natural gas which are primarily driven by international demand and supply scenario may adversely impact the company's profitability. Though, the company tries to pass on the price volatility to the end users; since, from most of the reputed customers, the price revision is undertaken on quarterly basis based on the incremental increase in input prices on average basis for the next quarter. However, there is a time lag of a quarter to pass on the incremental raw material price change, which exposed the company to sudden adverse fluctuations in raw material prices leading to pressure on the company's profitability. Thus, the company's profitability largely depends on the company's ability to absorb the increase in raw material prices.

Presence in competitive industry: DPPL operates in a highly competitive industry marked by the presence several domestic players in the unorganised and organised sectors. The industry is characterised by low entry barriers due to low technological inputs and easy availability of standardised machinery for production. This leads to high competition among the players and has limited the company's bargaining power with suppliers, which further exerts pressure on its margins.

Key strengths

Experienced directors and long track record of operations: Naresh Goyal, Surender Goel and Arun Kumar Agarwal are DPPL's directors and they collectively manage the company's overall operations. Naresh Goyal has experience of nearly two and half decades in this business. He is well supported by other directors, Surender Goel and Arun Kumar Agarwal who hold experience of over two decades in this industry through their association with this entity. They are assisted by a team of qualified managerial and technical personnel with considerable industry experience. These long-standing promoters' experience and expertise in the industry has enabled the company to establish healthy relationship with suppliers and customers.

Established relationship with reputed and diversified customer base: DPPL has been operational for over two decades and has established healthy relationship with its customers. Considering the established relationship, the company has been able to garner repeat orders from its existing customers. The company has established business alliance with reputed companies and is been dealing with them for over a decade. The companies in alliance include Samsung India Electronics Private Limited, Whirlpool of India Limited, Panasonic India Private Limited, Haier Appliances (India) Private Limited, and Havells India Limited (rated 'CARE AAA; Stable/ A1+), among others and its vendors. Aided by its diversified customer base, the company does not have reliance on single customer, which extends stability to their operations and financial position.

Steady growth in scale of operations with stable profitability margins: DPPL's TOI has grown and company has reported TOI and gross cash accruals (GCA) of ₹204.59 crore and ₹12.07 crore, respectively, in FY25 (FY refers to April 01 to March 31) compared to ₹155.72 crore and ₹9.26 crore, respectively.

Profitability margins of the as marked by the company's PBILDT margin improved and stood at 10.17% in FY25 compared to 10.09% in FY24. PAT margin also improved and stood at 3.99% in FY25 against 3.88% in FY24, backed by improved operating margin.

Moderate financial risk profile: The company's financial risk profile continues to remain moderate marked by low overall gearing ratio and debt coverage indicators. The company's capital structure marked by overall gearing ratio stood at 1.51x as

on March 31, 2025, showing moderation from 1.32x as on March 31, 2024, mainly considering higher utilisation of working capital borrowings at the year end.

The company's debt coverage indicators continue to remain moderate as marked by interest coverage ratio and total debt to GCA which stood at 3.48x and 6.21x, respectively, in FY24 (PY: 3.53x and 5.89x, respectively).

Liquidity: Adequate

The company's liquidity position remained adequate characterised by sufficient cushion in accruals against repayment obligations. The company has reported gross cash accruals (GCA) of ₹12.07 crore in FY25 against minimal repayment obligations. The average utilisation of its working capital limits stood ~80%-85% for the last 12 months ending November 2025.

Applicable criteria

[Definition of Default](#)

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

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[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
Commodities	Chemicals	Chemicals & Petrochemicals	Petrochemicals

DPPL was incorporated in February 1995 as a private limited company. The company is currently promoted by Naresh Goyal, Surender Goel and Arun Kumar Agarwal. The company is engaged in manufacturing plastic color masterbatches, additive masterbatches and polymer compounds under the trademark "Dirco". The company's manufacturing process is done through four units at Manesar, Haryana with total installed capacity of 1440 metric ton per month as on March 31, 2024. The products manufactured by the company finds its application in diverse industries such as electronics, auto components, household, and packaging industry among others.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	155.72	204.59
PBILDT*	15.71	20.80
Profit after tax (PAT)	6.04	8.17
Overall gearing (times)	1.32	1.51
Interest coverage (times)	3.53	3.48

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

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: CRISIL has continued ratings assigned to bank facilities of DPPL under the "Issuer Not-Cooperating" category vide its press release dated September 10, 2025, considering its inability to carryout review in the absence of 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*
Fund-based - LT-Term Loan	-	-	-	December, 2026	4.49	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based/Non-fund-based-LT/ST	-	-	-	-	3.51	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*
Non-fund-based - ST-Letter of credit	-	-	-	-	40.00	CARE A4+; 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 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-Cash Credit	LT	30.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (03-Dec-24)	1)CARE BBB-; Stable (07-Sep-23)	1)CARE BBB-; Stable (03-Aug-22)
2	Non-fund-based - ST-Letter of credit	ST	40.00	CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE A3 (03-Dec-24)	1)CARE A3 (07-Sep-23)	1)CARE A3 (03-Aug-22)
3	Fund-based/Non-fund-based-LT/ST	LT/ST	3.51	CARE BB+; Stable / CARE A4+; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable / CARE A3 (03-Dec-24)	1)CARE BBB-; Stable / CARE A3 (07-Sep-23)	1)CARE BBB-; Stable / CARE A3 (03-Aug-22)
4	Fund-based - LT-Term Loan	LT	4.49	CARE BB+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BBB-; Stable (03-Dec-24)	1)CARE BBB-; Stable (07-Sep-23)	1)CARE BBB-; Stable (03-Aug-22)

*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	Fund-based - LT-Term Loan	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view 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.

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: +91-22-6754 3444 E-mail: ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Puneet Kansal Director CARE Ratings Limited Phone: +91- 120-445 2018 E-mail: puneet.kansal@careedge.in</p> <p>Sandeep Aggarwal Associate Director CARE Ratings Limited Phone: +91- 120-445 2062 E-mail: sandeep.aggarwal@careedge.in</p> <p>Aashu Singh Lead Analyst CARE Ratings Limited E-mail: aashu.singh@careedge.in</p>
--	---

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

For detailed Rating Report and subscription information, please visit www.careratings.com