CareEdge RATINGS

POCL Enterprises Limited

February 25, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	117.27 (Enhanced from 110.88)	CARE BBB+; Stable	Reaffirmed
Long-term / Short-term bank facilities	51.00 (Enhanced from 31.00)	CARE BBB+; Stable / CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of POCL Enterprises Limited (POEL) continue to derive strength from the sustained improvement in scale of operation, established customer and supplier base, and experience of promoters in the similar line of business. Ratings also factor in the improvement in capital structure with the capital raised through preferential issue in H1FY26. However, ratings are constrained by the company's thin margins, which are vulnerable to raw material price volatility and forex risk, client concentration risk, and regulatory risk resulting from stringent environmental standards.

Ratings also take note of the company acquiring stake in PlanetFirst Green Private Limited (PGPL), which has accumulated losses in prior years. The company has extended advances to PGPL and intends to assume a more active role in its operations, with an expectation of operational turnaround over the medium term. However, the extent of exposure to PGPL and its performance trajectory will remain key monitorable factor from a credit perspective.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin above 5% on a sustained basis.
- Improvement in total debt to gross cash accruals (TD/GCA) below 2.50x on a sustained basis.

Negative factors

- Decrease in scale of operations and decrease in PBILDT margins below 2% on a sustained basis.
- Increase in overall gearing beyond 1.5x.
- Elongation in collection/inventory period beyond three months.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that the company would sustain its healthy operational performance in the medium term considering its established client base.

Detailed description of key rating drivers:

Key strengths

Sustained improvement in scale of operation

POEL has demonstrated sustained growth in scale in the last five years. In FY25, TOI increased by 29% year-on-year to ₹1,450.10 crore (FY24: ₹1,120.44 crore), reflecting healthy growth across both trading and manufacturing segments. The company

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

effectively leveraged its established sourcing network to expand trading operations, supplying lead ingots and pure lead to battery manufacturers and scrap metal to recyclers. As a result, trading revenue nearly doubled to ₹414 crore in FY25 from ₹224 crore in FY24. Manufacturing revenue also recorded steady growth of 15% to ₹1,034.17 crore, driven by higher sales volumes and improved realisations. In 9MFY26, the company witnessed a marginal moderation in sales volumes, primarily attributable to deferment of purchases by battery manufacturers ahead of the GST rate revision. However, the impact was largely offset by improved realisations and ongoing customer and geographic diversification initiatives and TOI remained largely stable at ₹1,099.40 crore compared to ₹1,077.73 crore in 9MFY25.

Reputed clientele and diversified supplier base

POEL caters to reputed clients in domestic and export markets. POEL's domestic sales have expanded in the last three years consequent to addition of reputed lead-acid battery manufacturers to its client roster. Exports are done to an array of international clients, primarily operating in the APAC region and export sales accounted for 15% of the company's total sales in FY25 (PY: 19%). The company imports majority raw materials from scrapyards in the United Kingdom, the United States, and Southeast Asia, allowing it to operate with a diverse supply base.

Experienced promoters

The promoters have nearly three decades of experience in the lead recycling industry and were associated with similar concerns in the past, providing them with established operational and industry expertise. Over the years, they have developed longstanding relationships with reputed customers and a diversified supplier base across domestic and international markets, supporting business stability and sourcing flexibility.

Moderately leveraged capital structure, improved with capital infusion in H1FY26

The company's capital structure remained moderate though improved with overall gearing of 1.13x as on March 31, 2025 (PY: 1.54x). The debt coverage indicators also remained moderate marked by TD/GCA of 3.24x and interest coverage of 3.24x as on March 31, 2025.

In June 2025, the company has raised capital of ₹69.67 crore through a preferential issue, comprising ₹58.30 crore via equity shares and ₹11.37 crore through convertible warrants. Of the issue, the company has received ₹61.14 crore in June 2025 and 75% of the warrant amount (₹8.53 crore) is expected within 18 months from the date of allotment. The capital infusion is expected to further strengthen the company's net worth and support its capital structure.

Strategic investment in PGPL, integration and turnaround remain monitorable

With the proceeds from preferential issue, POEL acquired a 40% equity stake in PGPL, a Gujarat-based lead recycling entity, in line with the company's strategy to expand its presence in western India. The total consideration for the acquisition was ₹19.0 crore, comprising ₹2.0 crore for a 40% equity stake and ₹17.0 crore towards 85% non-convertible redeemable preference shares. Further, in January 2026, the Board of Directors of POEL accorded in-principle approval for the proposed amalgamation of PGPL with and into POEL, subject to requisite statutory and regulatory approvals. While the proposed merger is expected to provide geographic diversification and operational synergies over the medium term, CareEdge Ratings notes that PGPL has been loss-making historically. Hence, the timely turnaround of its operations, stabilisation of profitability, and any incremental debt availed to support scale-up will remain key monitorable factors.

Key weaknesses

Customer concentration risk

POEL's revenue is concentrated with top five customers contributing 66% of total domestic revenue in FY25 (FY24: 61%), including one major client group contributing 44%, exposing the company to customer concentration risk. The company has been taking steps to diversify its customer and geographic presence. The contribution from the top five domestic customers moderated to ~55% in H1FY26, while export contribution improved from ~15% in FY25 to 24% of TOI in H1FY26. Further, the listing of the POEL brand on the London Metal Exchange (LME) in September 2025 is expected to enhance export competitiveness and support gradual diversification of the customer base over the medium term.

Regulatory risk arising from stringent environmental standards

Companies engaged in lead manufacturing process must adhere to rigorous pollution control norms as the industry is extremely polluting and has hazardous effect on the environment. Deviation from prescribed waste handling procedures could result in stringent regulatory action. While POEL holds relevant environmental authorisations and certifications, ongoing compliance and monitoring remain critical in light of evolving regulatory expectations and enforcement practices.

Liquidity: Adequate

The company generated GCA of ₹34.20 crore in FY25 and ₹34.10 crore in 9MFY26, marking comfortable accruals to meet its term debt repayment obligations of ₹7.16 crore in FY26. The company extends credit period up to 30 days in its manufacturing segment and up to five days in the trading segment, while maintaining low inventory levels supported by its long-standing supplier relationships. Factoring limits facilitated by key client also helps maintaining the receivable level. The company's operating cycle improved to 31 days in FY25 (PY: 36 days) aided by decrease in receivables as of March 2025. Average fund-based working capital utilisation for 12-months ended December 2025 stood at 81%.

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
Non Ferrous Metal
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Commodities	Metals & mining	Non - ferrous metals	Zinc

POEL is a recycler and secondary manufacturer of nonferrous metals, such as lead and zinc. POEL operates five factories (three in Tamil Nadu and two in Pondicherry) with a total annual capacity of 68040 MTPA as on December 31, 2025. Managing directors, Devakar Bansal and Sunil Kumar Bansal, are supported by family members and directors in managing daily operations.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	1120.44	1450.10	1099.40
PBILDT*	39.44	63.61	54.66

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Profit after tax (PAT)	17.77	31.16	29.91
Overall gearing (x)	1.54	1.13	NA
Interest coverage (x)	2.78	3.24	4.26

A: Audited UA: Unaudited NA: Not available; Note: these are latest financial results available
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA:
POEL has not co-operated with Brickwork Ratings, where it has classified the issuer as 'Non-Cooperative' vide its press release dated November 20, 2025. The reason provided was non-furnishing of sufficient information to monitoring ratings.

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		-	-	-	102.00	CARE BBB+; Stable
Fund-based - LT-Term Loan		-	-	December 2030	15.27	CARE BBB+; Stable
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC		-	-	-	45.00	CARE BBB+; Stable / CARE A2
Non-fund-based - LT/ ST-BG/LC		-	-	-	6.00	CARE BBB+; Stable / CARE A2

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	102.00	CARE BBB+; Stable	-	1)CARE BBB+; Stable (06-Jan-25)	1)CARE BBB; Stable (07-Mar-24) 2)CARE BBB; Stable (21-Jul-23)	-
2	Fund-based - ST-EPC/PSC	ST	-	-	-	-	1)Withdrawn (07-Mar-24) 2)CARE A3+ (21-Jul-23)	-
3	Non-fund-based - LT/ ST-BG/LC	LT/ST	6.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (06-Jan-25)	1)CARE BBB; Stable / CARE A3+ (07-Mar-24) 2)CARE BBB; Stable / CARE A3+ (21-Jul-23)	-
4	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	45.00	CARE BBB+; Stable / CARE A2	-	1)CARE BBB+; Stable / CARE A2 (06-Jan-25)	-	-
5	Fund-based - LT-Term Loan	LT	15.27	CARE BBB+; Stable	-	1)CARE BBB+; Stable (06-Jan-25)	-	-

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	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	Simple
4	Non-fund-based - LT/ ST-BG/LC	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.

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About us:

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