

## Polyspin Exports Limited

April 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	24.35 (Enhanced from 13.50)	CARE BB+; Stable	Reaffirmed
Short-term bank facilities	112.22 (Enhanced from 99.00)	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Ratings assigned to bank facilities of Polyspin Exports Limited (PEL) continue to be constrained by moderate capital structure and debt protection metrics, susceptibility of profits to volatile raw material prices and forex fluctuations, and its presence in intensely competitive and cyclicity nature of the packaging industry.

However, ratings derive strength from vast experience of its promoters, its operational track record of over three decades in the flexible intermediate bulk container (FIBC) segment, and reputed customer profile with presence across different geographies. Ratings also derive strength from improved profitability in FY25 (refers to April 01 to March 31), aided by discontinuation of textile spinning business, which incurred losses in the past, and due to recovery in demand in FIBC segment.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Ability to scale up the operations above ₹250 crore on a consistent basis with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 7%.
- Improvement in capital structure gearing levels below 1.50x.
- Improvement in debt coverage metrics with total debt to gross cash accruals (TD/GCA) below 7x.

#### Negative factors

- Slowdown in export demand leading to drop in income below ₹150 crore on a sustained basis.
- Debt-funded capital expenditure deteriorates the capital structure leading to gearing levels above 2.50x.
- Stretch in operating cycle considering demand slowdown to above 150 days.

### Analytical approach: Standalone

#### Outlook: Stable

The stable outlook reflects company's ability to sustain profitability in the medium term with stabilisation of performance in FIBC segment, also aided by established presence in multiple geographies.

### Detailed description of key rating drivers:

#### Key weaknesses

##### Moderate scale of operations, however improved in FY25

Total operating income stood moderate at ₹228.95 crore in FY25, however improved at a compounded annual growth rate (CAGR) of 11.08% in FY25 due to increased demand in the US and European markets. PBILDT margins also improved from 1.44% in FY24 to 7.44% in FY25 due to economies of scale and favourable market conditions. However, sustainability of income and profitability growth is still uncertain, particularly due to unpredictability in export demand, resulting from the newly proposed reciprocal duties imposed by the US on Indian products. In 9MFY26, the company reported total operating income of ₹172.56 crore with PBILDT margin of 7.07%.

##### Moderate capital structure and debt protection metrics

During 9MFY26, the company availed a term loan of ₹16.0 crore, part of which was utilised for loom capacity addition. The company has also obtained an enhancement in working capital limits by ₹13.0 crore, primarily due to the increase in polypropylene (PP) granules inventory, the key raw material for PEL. PP granules are crude oil-derived, and the recent rise in crude oil prices has led to a corresponding increase in PP granule costs. PEL's capital structure continued to remain leveraged. Overall gearing

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

moderated from 1.45x as on March 31, 2024, to 1.57x as on March 31, 2025, due to increased working capital borrowings as operating cycle elongated in FY25. Debt protection metrics also stood moderate with TD/GCA of 9.29x as on March 31, 2025.

### **Margins vulnerable to raw material price volatility and forex fluctuations**

PEL's major raw material is the PP granule, which is derived from crude oil. Price of PP granule is volatile in nature since it depends on movement of crude oil prices. Average purchase price of PP granules for PEL had been volatile in the range of ₹85 per kg to ₹112 per kg for three years ended FY25. Profits of PEL are also exposed to foreign currency movements and cover ~70-80% of receivables through forward contract.

### **Highly competitive packaging industry**

The packaging industry is highly fragmented and competitive with presence of large and small players, who operate across FIBC and other packaging segments. PEL faces competition from unorganised local players in terms of pricing and market share. However, the packaging industry requires highly skilled human capital and market expertise and experience in terms of supplies to reputed clientele in the US and Europe, which acts as a barrier for new players to sustain the business. PEL provides competitive prices to its customers to maintain market share and improve the economies of scale, which would constrain profitability margins in the medium term.

### **Key strengths**

#### **Highly experienced promoters**

PEL was established in 1972 by Rammohan Raja, situated in Rajapalayam, Tamil Nadu, and is presently managed by his family. R Ramji, son of Rammohan Raja, is the company's managing director since April 2013. He has over three decades of experience in the woven sack industry and technical textile technology. The company's Board is transparent, including four independent directors, two directors, one woman director and one managing director. All key management personnel of PEL have defined roles and have rich experience of over three decades in related fields.

#### **Long track record of operations in PP product business**

PEL has been into the PP product business since 1985. Promoters were initially into manufacturing high-density polyethylene (HDPE)/PP bags and thereafter started production of FIBC bags. Due to its long operational track record of over three decades in the packaging industry, the company forged good relationships with its customers and suppliers. PEL majorly supplies its products to distributing and marketing agents situated in overseas markets. PEL's products are primarily used in fertilizer, building material, chemical and cement industries.

#### **Reputed customer base with presence across different geographies**

The company produces different varieties of bags such as U Panel bags, circular big bags, Q bags, UN-certified bags, and food grade bags, among others. It is to be noted that the company discontinued textile spinning division since August 2023 due to losses incurred in the segment. PEL derived 96% (PY: 94%) of its income from the FIBC segment in FY25 and 97% in 9MFY26. FIBC products are 100% exported to countries, including the US, Italy, and France, among others, of which the US formed 78.52% (PY: 68.60%) sales in FY25 and 71.63% in 9MFY26. PEL also has a reputed customer base with long-standing relationship and top 10 customers forming 95.28% (PY: 90.24%) of the sales in FY25 and 95.98% in 9MFY26.

#### **Liquidity: Stretched**

The company's liquidity is stretched with tightly matched accruals against term debt obligations. The company's operating cycle increased to 103 days (PY: 96 days) due to reduction in creditor days to 20 days as on March 31, 2025 (PY: 33 days). Collection period has consistently increased over the years to 59 days in FY25 from 43 days in FY22. The company holds around two months of inventory to cater the order book position. PEL's current ratio improved to 1.27x as on March 31, 2025 (PY: 1.16x). Average utilisation of working capital limits stood comfortable at 55% for fund-based limits of ₹81.3 crore (enhanced from ₹76.3 crore) and 55% for non-fund-based limits of ₹31.25 crore (enhanced from ₹23.5 crore), for 12 months ending February 2026.

**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

PEL was established in 1972 by Rammohan Raja and is situated in Rajapalayam, Tamil Nadu. It commenced operations manufacturing small PP bags and initiated export since 1985. PEL produces products such as FIBC bags, PP woven bags and exports across geographies such as the US and Europe. PEL's products are primarily used in fertilizers, building materials, chemical and cement industries. The company's day-to-day operations are managed by R Ramji, Managing Director and the son of Rammohan Raja.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	202.21	228.95	172.56
PBILDT*	-0.94	17.03	12.20
Profit after tax (PAT)	-3.31	2.67	3.40
Overall gearing (x)	1.45	1.57	NA
Interest coverage (x)	0.76	3.14	2.76

A: Audited UA: Unaudited NA: Not Available; 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 conducted the review basis best available information and has classified PEL as 'Not cooperating' vide its press release dated April 30, 2025. The reason provided by CRISIL is non-furnishing of information for monitoring of rating or did not provide the No Default Statements (NDS) for the last three months.

**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		-	-	-	0.60	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	April 2030	23.75	CARE BB+; Stable
Fund-based - ST-EPC/PSC		-	-	-	39.70	CARE A4+
Fund-based - ST-Foreign Demand Bills Payable		-	-	-	41.00	CARE A4+
Non-fund-based - ST-BG/LC		-	-	-	31.52	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	23.75	CARE BB+; Stable	1)CARE BB+; Stable (24-Jul-25)	1)CARE BB+; Negative (29-Aug-24) 2)CARE BB+; Negative (12-Jul-24)	1)CARE BB+; Stable (22-Feb-24) 2)CARE BBB-; Negative (24-Aug-23)	1)CARE BBB-; Stable (17-Aug-22)
2	Fund-based - ST-Foreign Demand Bills Payable	ST	41.00	CARE A4+	1)CARE A4+ (24-Jul-25)	1)CARE A4+ (29-Aug-24) 2)CARE A4+ (12-Jul-24)	1)CARE A4+ (22-Feb-24) 2)CARE A3 (24-Aug-23)	1)CARE A3 (17-Aug-22)
3	Fund-based - LT-Cash Credit	LT	0.60	CARE BB+; Stable	1)CARE BB+; Stable	1)CARE BB+; Negative	1)CARE BB+; Stable	1)CARE BBB-; Stable (17-Aug-22)

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
					(24-Jul-25)	(29-Aug-24) 2)CARE BB+; Negative (12-Jul-24)	(22-Feb-24) 2)CARE BBB-; Negative (24-Aug-23)	
4	Fund-based - ST-EPC/PSC	ST	39.70	CARE A4+	1)CARE A4+ (24-Jul-25)	1)CARE A4+ (29-Aug-24) 2)CARE A4+ (12-Jul-24)	1)CARE A4+ (22-Feb-24) 2)CARE A3 (24-Aug-23)	1)CARE A3 (17-Aug-22)
5	Non-fund-based - ST-BG/LC	ST	-	-	-	-	-	1)Withdrawn (17-Aug-22)
6	Non-fund-based - ST-BG/LC	ST	31.52	CARE A4+	1)CARE A4+ (24-Jul-25)	1)CARE A4+ (29-Aug-24)	-	-

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	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-EPC/PSC	Simple
4	Fund-based - ST-Foreign Demand Bills Payable	Simple
5	Non-fund-based - 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.

## Contact us

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