

Flexicom Industries Private Limited

April 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	59.33 (Reduced from 60.00)	CARE BB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	4.25 (Reduced from 5.00)	CARE BB+; Stable / CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities of Flexicom Industries Private Limited (FIPL) continues to remain constrained by the nascent stage of operations, with FY25 being first full year of operation for the manufacturing facility. Consequently, the company is currently undergoing a stabilization phase, which has resulted in inconsistency in operational and financial performance. Further, FIPL's business profile remains susceptible to changes in government regulations, particularly those related to packaging norms, usage of plastic and environmental compliance. The profitability margins also remain exposed to volatility in raw material prices, especially polypropylene, which is a key input, thereby impacting cost structure and margins. The ratings also factor in the proposed ₹250-crore greenfield expansion at Guwahati (~100 TPD capacity for PP and jute bag manufacturing), to be funded through term debt of around ₹160 crore and supported by subsidies and incentives, which will remain a key monitorable given the sizeable scale of capex and its implications on execution and leverage.

The ratings, however, factor in the extensive experience of the promoters, who possess a long and diversified track record across multiple industries. The continued financial and operational support from the promoters provides comfort and enhances financial flexibility during the scale-up phase of operations. The ratings further derive comfort from the favourable location of the manufacturing facility and the various incentives and benefits available to the company under schemes of the Government of India (GoI).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in scale of operations (turnover > Rs. 75 crore) while maintaining operating margins above 15% on a sustained basis.
- Improvement in interest coverage ratio above 2x on a sustained basis.

Negative factors

- Decline in total operating income below (Rs. 30 crores) on a sustained basis.
- Increase in debt levels leading to notable deterioration in the capital structure.

Analytical approach: Standalone while factoring in group linkages with Meghalaya Cement Limited (MCL: rated CARE A+; Stable/CARE A1+).

Outlook: Stable

The Stable outlook reflects CARE Ratings' expectation that the company will continue to benefit from the promoters' extensive experience and ongoing support, which is expected to aid in smooth stabilization of the manufacturing facility and enable a gradual scale-up in operations. With improving capacity utilization, enhanced operating efficiency and better absorption of fixed costs, the company is expected to register a gradual improvement in its financial risk profile over the medium term.

Detailed description of key rating drivers:

Key weaknesses

Initial stage of operations characterized by moderate scale and leveraged capital structure

FIPL commenced commercial operations only from March 31, 2024, following the completion of its greenfield manufacturing facility for Polypropylene (PP) bags, including Ad Star bags, with an installed capacity of 6,000 TPA. Given the early stage of operations, FY25 performance was impacted by typical teething issues associated with project ramp-up and stabilization. The

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

company reported total operating income (TOI) of ₹55.77 crore in FY25 with a PBILDT margin of 17.78%, which was primarily aided by the recognition of subsidy benefits. The timely receipt of such subsidy claims remains a key rating sensitivity. During 9MFY26 (UA), the company reported TOI of ₹55.02 crore. A modest improvement in operating performance is expected in Q4FY26, primarily supported by better realizations. However, operating performance remains vulnerable to the adequate availability and pricing of key raw materials, which are crude-linked, amid ongoing geopolitical tensions. Capacity utilisation stood at around 74% in FY25 and improved further during 9MFY26, though the ability to sustain optimal utilisation levels and scale up operations over the medium term remains to be demonstrated.

The financial risk profile remains constrained by a leveraged capital structure, typical for a greenfield project in the initial years of operations. Overall gearing stood elevated at 2.55x as on March 31, 2025 (FY24: 1.89x), driven by reliance on debt, infusion of unsecured loans from promoters, and increased working capital borrowings post commencement of operations. While promoter support provides partial comfort, the capital structure remains sensitive to operating performance and cash flow generation. Gearing is expected to remain elevated in FY26, with gradual improvement contingent upon sustained scale-up in operations, stable profitability, and timely repayment of borrowings along with accretion to net worth.

Sensitivity of operations to the government regulations

Given the environment hazards of plastics, the flexible packaging industry remains sensitive to any government regulations or actions that could negatively impact demand for FIPL's products.

Competitive landscape and volatility of raw material prices

The packaging industry comprises a mix of large and small players and remains highly fragmented and competitive. Industry participants typically undertake capacity additions during periods of favourable pricing, which often leads to excess supply and pressure on product realisations. Further, the cost structure remains exposed to volatility in key raw materials, which are largely crude-derivative based and inherently volatile, particularly amid ongoing geopolitical uncertainties. Consequently, profitability of the company is contingent upon their ability to pass on fluctuations in raw material prices to customers in a timely manner.

Project implementation risk

The company plans to undertake a sizeable greenfield capex by setting up an additional manufacturing facility at Guwahati for PP bags and jute bags, with an envisaged capacity of ~100 TPD and a total project cost expected at ₹250 crore (term debt of ~₹160 crore estimated). While land acquisition and MoU with the Government of Assam are in place and the project is eligible for significant subsidies and incentives, the scale of the project exposes the credit profile to execution, funding and subsidy-receipt risks, which will remain a key monitorable from a rating perspective.

Key strengths

Experience of promoters in various industries

FIPL is part of the Agarwal Family group, based in North-East India, headed by Mr. Mahendra Kumar Agarwal. The group has a diversified presence across industries such as cement, steel, plastic manufacturing and ancillary businesses. The promoters possess prior experience in the plastic and plastic products segment through an associate group entity, Plascom Industries LLP, which is engaged in the manufacturing of PP woven sacks and laminated fabric/bags. Plascom Industries LLP operates a manufacturing facility at the Rani Industrial Area, Guwahati (Assam), with an installed capacity of 2,430 MT per annum of PP cement bags. The day-to-day operations of FIPL are managed by Mr. Prateek Agarwal (Director), supported by a team of experienced professionals. The promoters have demonstrated their commitment to the company through continued financial support, primarily in the form of unsecured loans. As on December 31, 2025, the promoters have infused a total of ₹22.21 crore into the company, which provides comfort with regard to funding requirements during the operational stabilization and scale-up phase.

Favourable location of the plant

The manufacturing unit is about 18 km from Kathua City. The site of the plant is well connected with the Srinagar Kanyakumari National Highway 44 through the minor road. The nearest railway station is Kathua Railway station which is 17 kms away and the nearest airport is Pathankot which is 44 kms away from the site. The bags are being supplied to nearby states like Punjab, Gujarat and Uttar Pradesh.

Presence of several benefits under GOI scheme

FIPL is entitled to receive to several benefits under New Central Sector Scheme like Capital Investment Incentive, Capital Interest Subvention, Goods and Service Tax Linked Incentive. The company has booked subsidy receivable of around ₹11.89 crores till March 31, 2025.

Liquidity: Adequate

The liquidity position of FIPL is expected to remain adequate over the near term with the company expected to generate sufficient cash balance to meet the debt repayment obligations which has started from FY26. Further, explicit financial support extended by the promoter group during FY25 and the current fiscal year towards meeting debt servicing requirements, is expected to continue in the near term, providing additional liquidity comfort. The average utilisation of fund-based limits stood at 69% for 12 months period ending January 2026.

Applicable criteria

[Definition of Default](#)
[Factoring Linkages Parent Sub JV Group](#)
[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
Consumer Discretionary	Consumer Durables	Consumer Durables	Plastic Products - Consumer

Incorporated in October 2020, FIPL is founded by the Agarwal family group based in Northeast India (Guwahati Assam). The group is headed by Mahendra Kumar Agarwal. The group has presence in industries like cement, steel and plastic manufacturing and related businesses. The directors of the company-Prateek Agarwal and Kiran Agarwal have set up a manufacturing unit in Jammu for manufacturing of Poly Propylene Bags, Ad Star Bags having capacity of 6,000 Tonne Per Annum (TPA). The plant started its commercial operations from March 31, 2024.

Particular	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	0.38	55.77	55.02
PBILDT*	-0.13	9.92	2.00
PAT	-0.32	0.01	-
Overall gearing (times)	1.89	2.55	-
Interest coverage (times)	NM	1.76	-

A: Audited; NM: Not material; UA: Unaudited; Note: these are latest available financial results

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

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		-	-	-	15.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	31-03-2035	44.33	CARE BB+; Stable
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	4.25	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	44.33	CARE BB+; Stable	-	1)CARE BB+; Stable (25-Mar-25) 2)CARE BB; Stable (02-Apr-24)	1)CARE BB; Stable (26-Mar-24)	-
2	Fund-based - LT-Cash Credit	LT	15.00	CARE BB+; Stable	-	1)CARE BB+; Stable (25-Mar-25) 2)CARE BB; Stable (02-Apr-24)	1)CARE BB; Stable (26-Mar-24)	-
3	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	4.25	CARE BB+; Stable / CARE A4+	-	1)CARE BB+; Stable / CARE A4+ (25-Mar-25) 2)CARE BB; Stable	-	-

						(02-Apr-24)		
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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	Non-fund-based - LT/ ST-Bank Guarantee	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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