National Plastic Industries Limited

June 03, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	26.65 (Reduced from 28.00)	CARE BBB-; Stable	Reaffirmed
Short-term bank facilities	4.25	CARE A3	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of National Plastic Industries Limited (NPIL) continues to derive strength from moderate profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin, comfortable capital structure, debt coverage indicators, and adequate liquidity position. Ratings also continue to derive strength from NIPL's established track record of operations with extensive experience of promoters, diversified product portfolio, established brand with marketing network, and diversified and long-standing relationship with customers and suppliers.

Ratings also factor the growth in total operating income (TOI) in FY26, to ₹103.03 crore from ₹96.95 crore in FY25, despite discontinuation of the business with Bajaj Electricals Limited (BEL), which has offset due to increase in revenue from exports and domestic market. The company witnessed a recovery in operating profitability, as reflected in the PBILDT margin improved to 11.08% in FY26, from 9.98% in FY25, supported by a favourable product mix, with increased contribution from higher-margin segments, such as polycarbonate chairs

However, ratings continue to remain constrained by its moderate scale of operations, working capital intensive operations characterised by elongated operating cycle, operating profitability susceptible to volatile raw material prices and foreign exchange rates, and its presence in a highly competitive and fragmented industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operations over ₹150 crore, and PBILDT and profit after tax (PAT) margins remain above 11% and 5%. Respectively, on a sustained basis.
- Improvement in the operating cycle below 120 days on a sustained basis.

Negative factors

- Decline in overall performance, leading to significant decrease in revenue and cash accruals.
- Deteriorating debt coverage indicators with interest coverage falling below 2.5x.
- Deteriorating capital structure with overall gearing exceeding a 2x level.
- Elongating working capital cycle or large debt-funded capex, impacting financial risk profile or liquidity position.

Analytical approach: Standalone

Outlook: Stable

The continuation of "Stable" outlook reflects CARE Ratings Limited's (CareEdge Ratings') belief that NPIL will continue to benefit from extensive experience of its promoters and management, supporting sustainability of its operational scale, profitability, and stable financial profile in the near-to-medium term.

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

Detailed description of key rating drivers:

Key strengths

Established track record of operations with extensive experience of promoters

NPIL's promoters (Parekh family) have been involved in manufacturing and marketing of injection-moulded plastic products for over five decades, established strong marketing connects. Over the years, NPIL has developed a strong association with suppliers and customers, enabling it to garner regular orders from them. Promoters are supported by the experienced second line of management across production, marketing, and finance among others.

Diversified product portfolio and established brand and satisfactory marketing distribution setup

NPIL manufactures injection-moulded plastic products broadly classified into furniture, household and commercial items, which have been sold under the brand name 'National' for over five decades. NPIL covers a wide range of products, which find application across household and commercial purposes. In FY26, the company derived ~84.01% of revenues from moulded plastic materials, followed by 9.59% from plastic mats, and balance from sale of other products. The company also has a good distribution network as it operates from Mumbai and has its branch offices in Ghaziabad, Bengaluru, Kerala, and Punjab. The company is continuously in the process of adding a new range of plastic furniture, which enables the company to garner continuous orders from its customers amidst highly competitive environment.

Established relations with customers and suppliers

In the last five decades of its existence, NPIL has established long-standing relationships with reputed customers. The company regularly supplies plastic-moulded furniture and houseware to these companies and maintains relationships for 10-15 years with them. NPIL generate ~22% of total revenue in FY26 (against 25% in FY25), from its top five customers, indicating diversified customer base. NPIL maintains long-standing relationships with its suppliers, which offer moderate credit to the company.

Moderate profitability margins

The company has shown recovery in the operating profitability with PBILDT margin has improved to 11.08% in FY26, from 9.98% in FY25, primarily driven by a favourable change in product mix with higher contribution from relatively higher-margin segments, such as polycarbonate chairs. Capacity additions, and improved capacity utilisation at 31.93% in FY26 (FY25: 29.09%), resulted in better absorption of fixed costs and enhanced operational efficiencies. Cost of materials, which constitutes a significant portion of the total cost, declined to ~61% of revenue in FY26, from ~67% in FY25, supporting profitability. However, the PAT margin moderated to 3.36% in FY26, from 3.87% in FY25, primarily considering higher depreciation and finance costs during the year. Margins are expected to remain stable in the near term, supported by increasing demand for premium products and introduction of new product ranges. However, the impact of raw material price volatility of crude oil due to recent global headwinds and the company's ability to pass on adverse price fluctuation to its customers remains key credit monitorable.

Comfortable capital structure and moderate debt coverage indicators

Capital structure improved and remained comfortable, marked by an overall gearing of 0.53x as on March 31, 2026, compared to 0.61x as on March 31, 2025. Improvement in overall gearing was driven by an increase in net worth due to accretion of profits to reserves and reduction in debt levels due to schedule repayment. Debt coverage indicators also slightly improved as marked by total debt to gross cash accruals (TD/GCA) stood at 3.44x in FY26, against 3.74x in FY25, and TD/PBILDT improved to 2.11x in FY26, from 2.66x in FY25. Interest coverage also improved at 5.61x in FY26, against 5.42x in FY25, due to increase in PBILDT level. CareEdge Ratings expects NPIL's capital structure, and debt coverage indicators continue to remain comfortable in the near term, supported by continued accretion of profits to net worth, gradual debt repayment, and with no major debt-funded capex planned in the medium term.

Key weaknesses

Moderate scale of operations

NPIL's scale of operations continues to remain moderate, although TOI grew by 6.27% to ₹103.03 crore in FY26, against ₹96.95 crore in FY25. This growth was achieved despite discontinuation of cooler sales to Bajaj from December 2024 onwards, which had previously contributed considerably to revenue. The impact of this was partially offset by increased export sales, which has increased from 7% of total revenue in FY25, to 14% in FY26. Higher demand for polycarbonate chairs in the domestic market led to increased revenue contribution from existing domestic customers in FY26. Capital expenditure undertaken in FY26, at the Silvassa and Patna facilities has enhanced product quality and enabled introduction of new premium product ranges, supporting revenue growth. The company is currently undertaking additional capex at these plants, which is expected to facilitate the introduction of a wider variety of products. These developments are likely to support the company's revenue growth in the near-to-medium term.

Working capital intensive operations

The company's overall operations remained working capital intensive, marked by a gross current assets period of 165 days in FY26 (against 148 days in FY25), deterioration in gross current assets period, mainly considering advances given to suppliers for raw material. Debtor recovery improved due to the stringent policy adopted by the company for recoveries in the last couple of years, leading to an improvement in the collection period from 56 days in FY25, to 42 days in FY26. Creditors' period also reduced from 19 days in FY25, to 11 days in FY26, due to faster debtor recoveries, which enables NPIL to get cash discounts from suppliers. NPIL's inventory holding period stood stable at 106 days in FY26, against 109 days in FY25, due to adequate inventory levels maintained by the company across product ranges to meet unexpected demand from customers. Operations continue to remain working capital intensive.

Susceptibility of profitability to fluctuation in crude oil prices and foreign exchange rates

The company primarily uses polypropylene (PP) and polystyrene as key raw materials, both of which are derivatives of crude oil, with raw material costs constituting ~65–70% of total revenue. Accordingly, the company's profitability remains susceptible to volatility in crude oil prices. Ongoing geopolitical tensions in the Middle East have further heightened crude oil price volatility, exposing the company to fluctuations in raw material costs.

However, the company has able to pass on increases in raw material prices to customers to some extent with a time lag. The company sources its raw material requirements mainly from domestic suppliers, such as Reliance Industries Limited and Haldia Petrochemicals Limited. Profitability remains exposed to foreign exchange fluctuations, given that exports contribute ~14% of total sales, with no formal hedging mechanism in place and limited natural hedge available.

Intense competition putting pressure on margins

The company operates in a highly competitive and fragmented market, which consists of large-to-small-sized players. Low entry barriers in the industry further intensify already prevailing high competition in the market. Thus, the competitive and fragmented nature of the industry continues to have bearing on margins and credit offered to its customers by players operating in this industry.

Liquidity: Adequate

Adequate liquidity characterised by sufficient cushion in accruals against repayment obligations of ~₹1 crore for FY27 and FY28. The company has a lower cash balance of ₹0.12 crore as on March 31, 2026. On an average basis, maximum and average fund-based limit utilisation remained at 59.22% and 49.74%, respectively, for 12 months ended as of May 2026. The current ratio and quick ratio stood at 1.97x and 0.85x, respectively, as on March 31, 2026. Cash flow from operating activities stood positive at ₹6.27 crore in FY26 (against positive of ₹9.67 crore in FY25).

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
Consumer discretionary	Consumer durables	Consumer durables	Furniture, home furnishing

NPIL was established in 1952 and is currently managed by Paresh Parekh and Ketan Parekh. NPIL is mainly engaged in manufacturing and marketing injection-moulded plastic products. NIPL's products can broadly be classified into furniture, household, and commercial items, which are sold under the brand name of 'National'. The company operates from its registered office at Andheri (East), while it also operates through its branches in Ghaziabad, Bangalore, Kerala, and Punjab. Its manufacturing facilities are at Silvassa, Patna, and Nellore. NPIL primarily caters to domestic market, which accounts for ~86% of the gross sales in FY26 (against 93% in FY25), while balance 14% in FY26 (against 7% in FY25), is to the export markets, such as the US, Australia, Middle East, Panama, Africa, New Zealand and Romania.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)
Total operating income	96.95	103.03
PBILDT*	9.68	11.42
Profit after tax (PAT)	3.76	3.46
Overall gearing (x)	0.61	0.53
Interest coverage (x)	5.42	5.61

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: 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 (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		-	-	-	26.65	CARE BBB-; Stable
Non-fund-based - ST-ILC/FLC		-	-	-	4.25	CARE A3

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	26.65	CARE BBB-; Stable	-	1)CARE BBB-; Stable (02-Jul-25)	1)CARE BBB-; Stable (04-Jul-24)	1)CARE BBB-; Stable (06-Sep-23)
2	Non-fund-based - ST-ILC/FLC	ST	4.25	CARE A3	-	1)CARE A3 (02-Jul-25)	1)CARE A3 (04-Jul-24)	1)CARE A3 (06-Sep-23)

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	Non-fund-based - ST-ILC/FLC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated: Not applicable

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon

[2] SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority.

issuance. In the rating reports subsequent to issuance(s), CareEdge Ratings shall separately capture the rated quantum details and names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

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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