Sai Industries Private Limited

September 11, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-Term / Short-term bank facilities	RBI	21.95 (Enhanced from 8.20)	CARE BBB-; Stable / CARE A3	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B+; Stable / CARE A4
Long-term bank facilities	RBI	6.00	CARE BBB-; Stable	Assigned
Long-term bank facilities	RBI	4.15 (Enhanced from 2.94)	CARE BBB-; Stable	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE B+; Stable
Short-term bank facilities	RBI	1.50	CARE A3	Rating removed from ISSUER NOT COOPERATING category and Upgraded from CARE A4
Short-term bank facilities	RBI	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

In the absence of minimum information required for the purpose of rating, CARE Ratings Limited (CareEdge Ratings) was unable to express an opinion on the rating of Sai Industries Private Limited (SIPL) and Sai Surfactants Private Limited (SSPL) in line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings had moved the rating of bank facilities of the company to 'CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING'. However, the company has now submitted the requisite information to CareEdge Ratings. Accordingly, CareEdge Ratings has carried out a full review of the rating, and the rating is revised to 'CARE BBB-; Stable / CARE A3'.

Revision in ratings assigned to bank facilities of SIPL and SSPL considers the improvement in entities' business and financial risk profiles, reflected in healthy growth in revenues, improved profitability, and strengthening credit metrics.

Ratings continue to derive strength from promoters' extensive experience in packaging industry, the group's established market presence, and its diversified customer base comprising reputed clients.

However, ratings are constrained by working capital intensive nature of operations resulting in an elongated operating cycle, susceptibility of profitability to fluctuations in raw material prices and foreign exchange fluctuation risk.

CareEdge Ratings has withdrawn Ratings assigned to bank facilities of the company, following the closure of the facilities sanctioned by HDFC Bank and the Letter of Credit facility availed from Canara Bank. The withdrawal is in line with the discontinuation of these credit facilities and the absence of outstanding exposure under the rated instruments.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in total operating revenue over ₹500 crore (on a combined level) with improvement in profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin over 8% on a sustained basis.
- Improvement in debt coverage indicators with PBILDT interest coverage above 3.0x and total debt/PBIDT below 3.5x on a sustained basis.

Negative factors

- Moderation in debt coverage indicators with PBILDT interest coverage below 2x and total debt (TD)/GCA above 8x on a sustained basis.
- Stretch in receivables resulting in elongation of working capital cycle beyond 100 days.

[1]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

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Analytical approach: Combined

CareEdge Ratings has combined business and financial risk profiles of SIPL and SSPL. These companies operate under common management, are involved in similar lines of business, have operational linkages and exhibit cash flow fungibility. Combined entities are mentioned under Annexure – 5.

Outlook: Stable

The 'Stable' outlook reflects CareEdge Ratings' expectations that the company shall continue to benefit from extensive experience of its promoters in poly-propylene bag manufacturing industry and benefit from the increasing contribution of export revenues, thereby supporting its business performance and credit profile in the medium term.

Detailed description of key rating drivers

Key strengths

Extensive experience of promoters in the industry

The Fogla Packaging Group (FPG) is led by Vishnu Kumar Fogla, who has over three decades of experience across the chemicals and packaging industries, and provides strategic leadership and direction to the group. Sanjeev Fogla (nephew of Vishnu Fogla), Promoter and Director of SIPL and SSPL, brings approximately three decades of experience in the manufacturing of Linear Alkylbenzene Sulfonic Acid (LABSA), polypropylene (PP), and high-density polyethylene (HDPE) bags. He is responsible for overseeing the group's marketing and finance functions. Rishi Fogla (son of Vishnu Fogla), with over a decade of industry experience, supports the group's operational activities and growth initiatives. The day-to-day management of the group is overseen by Mr. Anand Jeloka, Director, who has over two decades of experience in the packaging industry.

Established market position with reputed and diversified customer base

FPG benefits from a geographically diversified revenue profile, supported by a balanced mix of domestic and export sales. On a combined basis, domestic sales increased to ~₹210 crore in FY26 from ~₹166 crore in FY25, accounting for 55.7% and 52.9% of total sales, respectively. Export sales also increased to ~₹167 crore in FY26 from ~₹148 crore in FY25, contributing ~44.3% and ~47.1% of total sales, respectively.

The Group's domestic operations are diversified across key markets, including West Bengal, Andhra Pradesh, Odisha, Karnataka, and Uttar Pradesh, while exports are primarily directed to Belgium, Algeria, Tanzania, and Ukraine. This broad-based presence across domestic and international markets reduces geographical concentration risk, enhances revenue resilience, and supports greater stability in the Group's overall revenue profile.

Satisfactory financial performance amid increasing scale of operations

The Group's financial performance remained healthy over the four-year period ending FY26, with the total operating income (TOI) registering a compounded annual growth rate (CAGR) of ~14%. In FY26, the Group reported a ~20% year-over-year (y-o-y) increase in TOI to ₹377.7 crore from ₹313.7 crore in FY25, driven by strong growth in export sales, supported by geographic diversification, deeper penetration in North African markets, and an improving product mix with a higher contribution from jumbo bags.

The operating profitability improved significantly, with the PBILDT margin increasing to 8.0% in FY26 from 6.0% in FY25 (5.9% in FY24). The margin expansion was supported by healthy growth in exports, a strategic shift from fabric exports to higher-value finished bags, and an increasing focus on direct sales to end-customers in key export markets, particularly Africa, which offers superior realisations. Profitability also benefited from inventory gains arising from the increase in raw material prices during the year, and the commencement of bulk bag manufacturing operations, which carry relatively higher margins.

Further, a higher share of exports and procurement cost efficiencies arising from increased sourcing from China supported the improvement in profitability in the recent period. The Group has sustained its growth momentum in the current fiscal, reporting a TOI of ₹111.2 crore in Q1FY27, while maintaining operating margins at levels comparable to FY26. Going forward, the management expects export revenues to grow by 15-20%, supported by continued geographic expansion, customer diversification, and increasing penetration in key overseas markets. Export transactions are largely backed by documents against payment arrangements and banking channels, providing comfort on collection risk.

Improving capital structure and debt protection metrics

On a combined basis, the group's capital structure remained comfortable in FY26, supported by healthy accruals and an improvement in leverage indicators. The overall gearing ratio improved to 1.05x as on March 31, 2026, from 1.10x as on March

31, 2025, driven by accretion of profit to reserve and infusion of quasi-equity. The debt profile continues to comprise primarily working capital borrowings and term loans, providing financial flexibility for operational and growth requirements.

The leverage profile also strengthened during the year, with the total outside liabilities to tangible net worth (TOL/TNW) ratio improving to 1.50x as on March 31, 2026, from 1.69x as on March 31, 2025. The improvement was driven by growth in the TNW base through retained earnings, coupled with moderation in overall liabilities.

Debt protection metrics witnessed a notable improvement in FY26. The PBILDT interest coverage ratio improved to 3.36x from 2.33x in FY25, indicating ability to service interest obligations through operating earnings. Further, the Total Debt to Gross Cash Accruals (TD/GCA) ratio improved to 5.30x from 8.99x in FY25, supported by higher cash accrual generation and controlled debt levels. Consequently, the group's overall credit profile strengthened during the year, underpinned by improved profitability, robust cash flow generation, and healthier debt coverage indicators.

Key weaknesses

Working capital intensive operations

The Group's operations remain working capital intensive, driven by the need to maintain adequate inventories of raw materials and finished goods, along with customer credit terms of ~45-60 days. Collection risk remains mitigated to an extent as a significant portion of export sales is supported through payment-against-documents arrangements. Although the operating cycle improved marginally to ~82 days in FY26 from 84 days in FY25, working capital requirements remained elevated. In the last six months, the Group has increasingly shifted its raw material sourcing from domestic and Gulf-based suppliers to China, primarily due to supply chain disruptions and pricing dislocations arising from the ongoing Middle East conflict.

Imports are generally undertaken either against payment upon delivery/arrival of goods at the port or with an advance payment of 20-30% of the order value, with the balance settled upon delivery, depending on supplier terms. While this strategy has enabled the Group to benefit from import arbitrage opportunities, achieve cost efficiencies, and ensure uninterrupted raw material availability, imported purchases generally carry limited credit support. Consequently, creditor days moderated, leading to higher utilisation of fund-based working capital borrowings.

Further, volatility in raw material prices during the year increased inventory carrying costs. However, the Group's policy of maintaining adequate inventory levels provided a buffer against supply disruptions and enabled it to realise inventory gains on stock procured at lower prices. Going forward, efficient management of inventory, receivables, and working capital borrowings will remain critical from a liquidity perspective.

Foreign exchange fluctuation risk

The Group remains exposed to foreign currency fluctuation risk owing to its sizeable export operations across multiple geographies and import dependence for a portion of its raw material requirements. However, the risk is mitigated to an extent through a prudent hedging policy, where the Group generally hedges its net foreign currency exposure. The company reported forex gains of ~₹3.20 crore in FY25 and ~₹3.12 crore in FY26.

Susceptibility of profitability to raw material price volatility

PP granules are the principal raw material for the group depending on the end use of bags and comprises ~65-75% of the total cost of sales of manufactured goods. The price of PP granules has a direct co-relation to crude oil prices along with market forces of demand and supply. Hence, the price volatility may affect the group's profitability to the extent of raw material inventory (including semi-finished goods) maintained by the group, around a month. However, majority of the sales made to international customers are based on cost plus model with PP granules' price based on Platts Global PP Raffia Price Index. Similarly, in case of local consumers as well, majority sales made are billed on cost plus model with prices linked to PP granules pricing of Reliance Industries Limited. This substantially reduces the vulnerability of PBILDT margins to volatility in raw material prices. Given the ongoing geopolitical uncertainty, the management remains cautious on the near-term outlook, monitoring input cost trends and demand conditions closely while maintaining operational flexibility to respond to further volatility.

Liquidity: Adequate

The group's liquidity position remains adequate characterised by cash accruals of ₹17.91 crore in FY26, against its debt repayment obligation of ₹3.77 crore during the year. Liquidity is further supported by modest free cash and bank balances of ₹1.70 crore as on March 31, 2026. However, the group's working capital limits remained moderately utilised, with average utilisation of ~82.81% for 12 months ended May 2026. Going forward, the group has scheduled debt repayments of ₹4.68 crore in FY27, which are expected to be adequately met through internal accruals. The group operating cycle remained moderate at ~82 days as on March 31, 2026.

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
Consolidation
Manufacturing Companies
Financial Ratios – Non financial Sector
Withdrawal Policy
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Plastic products - Industrial

Sai Industries Private Limited (SIPL), incorporated in April 2003, is a Kolkata-based company and a part of the Fogla Packaging Group (FPG). The company is engaged in manufacturing and export of polypropylene-based industrial packaging products, including Flexible Intermediate Bulk Containers (FIBCs)/bulk bags, and woven packaging solutions. SIPL operates two manufacturing facilities at Falta Special Economic Zone (SEZ), West Bengal, and Kheda, Gujarat, with an aggregate installed production capacity of 9,072 MTPA.

The company caters to a diversified clientele across end-user industries, such as fertilisers, cement, flour, food grains, sugar, chemicals, and animal feed. SIPL maintains stringent quality and food safety standards, supported by certifications and approvals, including FSSC 22000, ISO 9001:2015, Halal Certification, and US Food and Drug Administration (FDA) compliance verification by Eurofins, enhancing its acceptance in domestic and export markets.

Brief Financials (₹ crore) (Combined)	March 31, 2025 (UA)	March 31, 2026 (UA)	Q1FY27 (UA)
Total operating income	313.74	377.62	111.22
PBILDT	18.93	30.24	-
PAT	3.36	9.98	-
Overall gearing (times)	1.10	1.05	-
Interest coverage (times)	2.33	3.36	-

A: Audited; UA: Unaudited; Note: These are latest financial results available.

Brief Financials (₹ crore) (Standalone)	March 31, 2025 (A)	March 31, 2026 (UA)	Q1FY27 (UA)
Total operating income	126.13	151.47	36.62
PBILDT*	10.63	17.69	
Profit after tax (PAT)	4.50	8.59	
Overall gearing (x)	0.93	0.85	
Interest coverage (x)	5.45	6.84	

A: Audited; 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: Infomerics has moved ratings assigned to bank facilities of SIPL to 'Issuer Not Cooperating' category vide press release dated November 12, 2025, considering its inability to carry out a review in the absence of the 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

For complexity level of instruments rated refer to Annexure-1.

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

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

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	6.00	CARE BBB-; Stable
Fund-based - LT-Term Loan	RBI	Simple	-		-	30-03-2029	4.15	CARE BBB-; Stable
Fund-based - ST-EPC/PSC	RBI	Simple	-		-	-	0.00	Withdrawn
Fund-based - ST-Foreign Bill Discounting	RBI	Simple	-		-	-	1.50	CARE A3
Fund-based - ST-Packing Credit in Foreign Currency	RBI	Simple	-		-	-	0.00	Withdrawn
LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	RBI	Simple	-		-	-	21.00	CARE BBB-; Stable / CARE A3
Non-fund-based - LT/ ST-Bank Guarantee	RBI	Simple	-		-	-	0.95	CARE BBB-; Stable / CARE A3
Non-fund-based - ST-Letter of credit	RBI	Simple	-		-	-	0.00	Withdrawn

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	LT/ST Fund-based/Non-fund-based-EPC / PCFC / FBP / FBD / WCDL / OD / BG / SBLC	LT/ST	21.00	CARE BBB-; Stable / CARE A3	-	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING * (23-Jul-25)	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING * (14-Jun-24)	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST	0.95	CARE BBB-; Stable / CARE A3	-	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING * (23-Jul-25)	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING * (14-Jun-24)	-
3	Fund-based - ST-EPC/PSC	ST	-	-	-	1)CARE A4; ISSUER NOT COOPERATING * (23-Jul-25)	1)CARE A4; ISSUER NOT COOPERATING * (14-Jun-24)	-
4	Fund-based - ST-Packing Credit in Foreign Currency	ST	-	-	-	1)CARE A4; ISSUER NOT COOPERATING * (23-Jul-25)	1)CARE A4; ISSUER NOT COOPERATING * (14-Jun-24)	-
5	Fund-based - ST-Foreign Bill Discounting	ST	1.50	CARE A3	-	1)CARE A4; ISSUER NOT COOPERATING * (23-Jul-25)	1)CARE A4; ISSUER NOT COOPERATING * (14-Jun-24)	-
6	Non-fund-based - ST-Letter of credit	ST	-	-	-	1)CARE A4; ISSUER NOT COOPERATING * (23-Jul-25)	1)CARE A4; ISSUER NOT COOPERATING * (14-Jun-24)	-
7	Fund-based - LT-Term Loan	LT	4.15	CARE BBB-; Stable	-	1)CARE B+; Stable; ISSUER NOT COOPERATING * (23-Jul-25)	1)CARE BB-; Stable; ISSUER NOT COOPERATING * (14-Jun-24)	-
8	Fund-based - LT-Cash Credit	LT	6.00	CARE BBB-; Stable				

*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: Lender details

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

Annexure-5: List of entities consolidated

Sr. No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1.	Sai Industries Private Limited	Full, proportionate or moderate	On the basis of common management, similar line of business and operational linkages
2.	Sai Surfactants Private Limited		

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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