



Press Release

Captain Polyplast Limited (CPL)

May 12, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	78.86 (Enhanced from Rs. 78.41 crore)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	IVR BBB-/ Stable (IVR Triple B Minus with Stable Outlook)	Rating Upgraded	Simple
Short Term Bank Facilities*	26.68	IVR A3+ (IVR A Three Plus)	IVR A3 (IVR A Three)	Rating Upgraded	Simple
Total	105.54	(Rupees One Hundred Five Crores and Fifty-Four Lakhs Only)			

**50% of one way interchangeability from LC to BG has been approved to an extent of Rs. 6.25 crores..*

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are in Annexure 2.

Detailed explanation of covenants is in Annexure 3.

Detailed Rationale

Infomerics has upgraded the ratings assigned to the bank facilities of Captain Polyplast Limited (CPL), based on the substantial improvement in overall gearing achieved in FY25 while maintaining revenues and margins at stable levels. The improvement in capital structure and debt protection metrics was achieved by equity infusion vide issue of warrants which were partly converted during the year. The ratings continue to derive strength from the experienced promoters and extensive presence in micro irrigation business, healthy financial risk profile followed by backward integration which will further lead to improvement in profitability margins. The rating strengths are however, tempered by foreign exchange fluctuation risk, high working capital intensity and exposure to government schemes and price volatility.

The stable outlook reflects Infomerics expectations of steady revenue growth, along with improved profitability over FY25-FY27, supported by the company's backward integration into manufacturing of accessories used in micro-irrigation systems.



Press Release

Key Rating Sensitivities

Upward Factors

- Sustained & significant improvement in revenue & profit margins while maintaining current financial profile along with improvement in working capital cycle

Downward Factors

- Deterioration in working capital cycle
- Any decline in scale of operations and/or profitability leading to sustained deterioration of liquidity and/or debt protection parameters

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Extensive experience of the promoters:

Mr. Ramesh Khichadia (Managing Director) has extensive experience in the field of irrigation business, with 30+ years of experience. An alumnus of Gujarat Agriculture University, he holds a distinguished B. Tech degree in Agriculture Engineering. Mr. Gopal Khichadia (Director) also brings a wealth of knowledge and expertise that has played a transformative role in the growth and success of the company. His 20+ years of extensive experience and insights into the PVC pipes industry equips the company with a competitive advantage.

Established presence in the industry:

CPL is into the business since 1997, and the company has built up a diversified distributor channel and has gained trust among the customers. CPL has also expanded in various regions of India in this tenure. The company's strong reputation in domestic market is reflected in its wide clientele which includes Gujarat Green Revolution Company Ltd (a SPV owned by Gujarat govt.), Andhra Pradesh Micro Irrigation, Dept. of Horticulture and Food Processing, etc.

Comfortable financial risk profile:

The financial risk profile is likely to remain supported by healthy profitability and limited reliance on debt. Gearing was 1.11 times as on end FY24 (referred period April 01, 2024, to March 31,



Press Release

2025), and total outside liabilities to adjusted net worth ratio was 1.87 times as on same date. Further gearing ratio is projected to strengthen to significantly below 1x as at end FY25 as CPL raised equity in the year worth Rs. 20.38 crores to meet the working capital requirements and some portion of the raised capital will be used towards capex.

Diversified product profile:

CPL has a wide variety of drip irrigation systems, sprinklers, irrigation accessories, drippers, laterals and various other products as solar water pumps, solar water heaters, fertilizers, polymers, etc. This helps the company to cross sell and upsell the diversified products to the existing customers.

Focus on backward integration expected to lead to profitability improvement:

The company has an on-going capex whereby it is investing Rs.8.00 crores in setting up a unit in Ahmedabad for manufacturing of various accessories used in its irrigation systems. As these accessories are currently bought out, it is expected to lead to considerable cost savings. The capex commenced in January 2025 and is expected to be operational by September 2025. The investment is being funded entirely from internal accruals.

Key Rating Weaknesses-

Working capital intensive nature of operations:

Gross current assets (GCAs) have around 300 days for the past three fiscals and was 297 days as on March 31, 2024, driven by high debtors of 184 days and inventory of 55 days. The high debtor days is there because there is a clause of retention money involved in the government contracts, where the 5% of the money is released after 5 years of successful completion of the project. The company needs to extend long credit period and maintain sizeable work in process and inventory to meet business requirement. GCAs are projected to remain at similar levels in the medium term.

Susceptibility to regulatory changes and volatility in raw material prices:

As government subsidies are major growth drivers in the Micro Irrigation System (MIS) industry, the business remains vulnerable to any unfavourable change in government policies on MIS. Moreover, since cost of procuring the raw materials (HDPE granules, low density



Press Release

polyethylene granules, pipes and PVC resins) accounts for majority (~75 to 80%) of total production cost, even a marginal increase in raw material prices will materially impact profitability.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition and Post Default curing period](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity: Adequate

Liquidity profile of CPL appears to be adequate with the current ratio of 1.60x and quick ratio of 1.37x as on March 31, 2024. The company is earning a comfortable level of Gross Cash Accruals (GCA) which stood at Rs. 18.62 crore for FY24 and the same is expected to improve during the projected period with increase in scale of operations. The GCA is expected to be in the range of ~Rs. 26.00 crores to Rs. 35.00 crores annually during the projected period, which is adequate, considering that the scheduled term loans repayments are in the range from Rs. 8 crores to Rs. 2 crores the company has cash & bank balance of Rs. 4.87 crore as on March 31, 2024. The average working capital utilization level stood at ~88% of the Rs. 42.60 crores cash credit limits during twelve months ended February 2025. CPL has also raised equity in FY25 by the mode of preferential allotment to promoter and non-promoter companies worth Rs. 20.38 crores to meet the working capital requirements and capex arrangements.

About the Company

Incorporated in 1997, Captain Polyplast Limited (CPL) offers a complete range of micro irrigation solutions with manufacturing facilities at Rajkot (Gujarat) and Kurnool (Andhra Pradesh). Company has diversified into fast growing solar EPC market and polymer marketing. The company has marketing and distribution network across 16 states in India which cover ~90% of micro irrigation market in India. CPL exports its products to countries in



Press Release

Africa, Latin America and Middle East. Within a very few years, company have established itself as a prominent brand in the industry. With innovative ideas and excellent quality products, and dedicated to serve you better, Captain Polyplast Ltd., an ISO 9001:2015 certified company, has registered its position as a reputed brand in the domestic and international market. CPL are a manufacturer, exporter & trading company of supreme quality HDPE Pipes and Irrigation Equipment including Drip Irrigation Systems, Sprinkler Irrigation Systems, Disc Filters, Screen Filters, Hydro-Cyclone Filters, Sand (Gravel) Filters, Compression Fittings, Valves (Electric & Mechanical), Fertilizer Tanks, Digital Controllers, Pressure Gauges, etc..

Financials (Standalone):

	(Rs. crore)	
For the year ended/ As On*	31-3-2023 (Audited)	31-3-2024 (Audited)
Total Operating Income	224.60	294.32
EBITDA	16.89	31.78
PAT	5.50	16.60
Total Debt	80.64	102.07
Tangible Net-worth	70.02	91.67
Ratios		
EBITDA Margin (%)	7.51	10.80
PAT Margin (%)	2.42	5.58
Overall Gearing ratio (x)	1.15	1.11
Interest Coverage (x)	1.80	2.90

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: India Ratings in its press release dated June 10, 2024, has migrated the rating of Captain Polyplast Limited to "Issuer Not Cooperating" category due to unavailability of adequate information.

Any other information: Nil

Rating History for last three years:



Press Release

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
	PR Date			May 12, 2025	--	March 28, 2024	--
1.	Cash Credit	Long Term	67.60 (Enhanced from Rs.62.60 crores)	IVR BBB/Stable	--	IVR BBB-/Stable	--
2.	WCTL/GECL	Long Term	11.26 (Reduced from Rs. 15.81 crores)	IVR BBB/Stable	--	IVR BBB-/Stable	--
3.	Bank Guarantee	Short Term	14.00	IVR A3+	--	IVR A3	--
4.	Letter of Credit*	Short Term	12.50	IVR A3+	--	IVR A3	--
5.	CEL	Short Term	0.18 (Reduced from Rs. 9.00 crores)	IVR A3+	--	IVR A3	--

*50% of one way interchangeability from LC to BG has been approved to an extent of Rs. 6.25 crores.

Analytical Contacts:

Name: Sudarshan Shreenivas

Tel: (022) 62396023

Email: sudarshan.shreenivas@infomerics.com

About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt



Press Release

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Bank Facility – Cash Credit	-	-	-	-	67.60	IVR BBB/ Stable
Long Term Fund Based Bank Facility – WCTL/GECL	-	-	-	January 18, 2026	3.45	IVR BBB/ Stable
Long Term Fund Based Bank Facility – WCTL/GECL	-	-	-	March 22, 2028	6.50	IVR BBB/ Stable
Long Term Fund Based Bank Facility – WCTL/GECL	-	-	-	December 26, 2025	0.00	IVR BBB/ Stable
Long Term Fund Based Bank Facility – WCTL/GECL	-	-	-	December 01, 2027	1.31	IVR BBB/ Stable
Short Term Non-Fund Based Bank Facility –Letter of Credit	-	-	-	-	12.50	IVR A3+
Short Term Non-Fund Based Bank Facility –CEL	-	-	-	-	0.18	IVR A3+
Short Term Non-Fund Based Bank Facility –Bank Guarantee	-	-	-	-	14.00	IVR A3+



Press Release

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Captain-Polyplast-12may25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis:

Sl. No.	Name of the Company	Consolidation Approach
-	-	-

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com