Pashupati Polytex Private Limited

July 03, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	71.95* (reduced from Rs.118.15 crore)	IVR BBB/ Stable (IVR Triple B with Stable outlook)	IVR BBB-/ Negative ISSUER NOT COOPERATING^ (IVR triple B minus with Negative Outlook Issuer Not Cooperating)	Rating upgraded and removed from Issuer Not Cooperating; long term rating outlook revised from 'Negative' to 'Stable'	Simple
Short Term Bank Facilities	36.44 (including proposed limit of Rs.7.09 crore)	IVR A3+ (IVR A three plus)	IVR A3 ISSUER NOT COOPERATING^ (IVR A three Issuer Not Cooperating)	Rating upgraded and removed from Issuer Not Cooperating	Simple
Total	**108.39 (Rupees One hundred eight crore and thirty nineteen lakhs only)**				

^Issuer did not cooperate; based on best available information

*(The Term loans and GECL loans rated in the previous year amounting Rs. 42.04 crores have been withdrawn based on No Due Certificates from State Bank of Inda, HDFC Bank and at the request of the company and is in line with Infomerics' policy on withdrawal).

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The ratings assigned to the bank facilities of Pashupati Polytex Private Limited (PPPL) considers the common management team and operational & financial linkages between PPPL and its group entities, Pashupati Laminators Private Limited (PLPL), Pashupati Excrusion Private Limited (PEPL) and Shree Ram Polymers. Infomerics has taken a combined view of these entities referred together as Pashupati Group.

Earlier Infomerics had moved the rating of Pashupati Polytex Private Limited (PPPL) into Issuer Not Cooperating category vide it press release dated April 18, 2025, due to nonsubmission of information required for detailed review of the company. However, the company has started cooperating and submitted required information. Consequently, Infomerics has removed the ratings from 'ISSUER NOT COOPERATING' category and upgraded the ratings.

The upgrade in the ratings assigned to the bank facilities of Pashupati Polytex Private Limited (PPPL) has taken into account the established track record of operations coupled with experience management and strong business risk profile buoyed by backward integration. Further, the ratings also factor in the moderate working capital management and adequate liquidity position. However, the ratings are constrained by average financial risk profile, susceptibility of profitability to volatility in raw material price and intense competition from both large and unorganised sector.

The rating outlook assigned to the long-term rating is Stable as it is supposed to benefit from the extensive experience of the promoters along with strong business risk profile.

Infomerics has withdrawn the outstanding long-term rating of IVR BBB-/ Negative Issuer Not Cooperating (IVR Triple B Minus with Negative outlook Issuer not cooperating), assigned to the term loan facility of Rs.1.86 crore, term loan facility of Rs.4.60 crore, term loan facility of Rs.25 crore, GECL facility of Rs.5.40 crore and GECL facility of Rs.5.18 crore of Pashupati Polytex Private Limited with immediate effect. The above action is taken at the request of the company and No Due Certificate received from State Bank of India and HDFC Bank. The rating is withdrawn in accordance with Infomerics' policy on withdrawal. Link to the policy on withdrawal of rating is provided below.

Key Rating Sensitivities:

Upward Factors

- Significant and sustained growth in the scale of operations with improvement in profitability and cash accruals.
- Improvement in capital structure and debt protection metrics on a sustained basis.
- Managing working capital requirements efficiently leading to improvement in the operating cycle with improvement in liquidity.

Downward Factors

- Decline in the revenue and/ or profits leading to an overall deterioration in the financial risk profile of the company.
- Moderation in capital structure and/ or coverage indicators.
- Elongation in the operating cycle with moderation in liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Established track record of operations coupled with experience management**
  Incorporated in 2007, Pashupati Group has a long operational track record of more than fifteen years in manufacturing recycled polyester fibres and woven fabrics. Further, the promoters have more than three decades of experience in the industry. The promoter's experience, their strong understanding of local market dynamics, and healthy relations with suppliers and customers will benefit the company going forward, resulting in steady growth in the scale of operations.

- **Strong business risk profile buoyed by backward integration**
  The revenue of the Group decreased by 6.46% to Rs.473.92 Cr in FY2024 (refers to period April 1st, 2023, to Mar 31, 2024) from Rs.506.65 Cr in FY2023 (refers to period April 1st, 2022, to Mar 31, 2023) on account of slowdown in production due to capacity expansion and technological upgradation in the Group. Nevertheless, the Group has achieved a revenue of Rs. 540.27 Cr FY2025 (Provisional) (refers to period April 1st, 2024, to Mar 31, 2025). In addition to this, backward integration into the manufacturing of PET chips provides the Group with a better quality of raw materials, at a lower cost with ease of access. The sustenance of the growth of the revenue of the Group will be a key rating sensitivity in the medium term.

- **Moderate working capital management**
  The working capital management of the Group is moderate marked by the moderately high operating cycle, which stood at 119 days as on 31st March 2024 as compared to 95 days as on 31st March 2023. The operating cycle is predominantly driven by the moderate debtor and inventory level during the same period. The debtor and the inventory period stood at 70 days and 61 days as on 31st March 2024 as compared to 57 days and 62 days as on 31st March 2023 respectively. Further, the debtor period and the inventory holding period both stood at

54 days as on 31st March 2025 (Provisional) respectively. Going forward, the working capital management of the Group will remain at similar levels as evident from the moderate collection mechanism and inventory level.

Key Rating Weaknesses

- **Average financial risk profile**

The Group has secured a significant equity infusion of Rs. 290.67 Cr in FY2025 (Provisional) from marquee investors, including Mr. Qimat Rai Gupta (Founder and former CMD of Havells) and Lucky Investment Managers Private Limited (founded by Mr. Ashish Kacholia). The capital structure of the Group remained comfortable with its satisfactory net worth base supported by its low reliance on external debt. The Group's adjusted tangible net worth witness decline despite profit and accretion of reserves due to increase in investment in Group entities and stood at Rs.177.42 crore as on March 31, 2024, as compared to Rs. 143.26 crore as on March 31, 2023. The unsecured loan of Rs.23.00 Cr has been considered as quasi equity as the same has been subordinated to bank's exposure. The Total outside Liabilities/ Adjusted Tangible Net Worth (TOL/ATNW) stood moderate at 1.61x as on March 31, 2024, as against 1.60x as on March 31, 2023. However, the Group's adjusted tangible net worth stood at Rs.407.94 Cr, the Total outside Liabilities/ Adjusted Tangible Net Worth (TOL/ATNW) stood comfortable at 0.66x as on March 31, 2025 (Provisional). Overall Gearing of the Group stood comfortable at 1.45x times as on March 31, 2024, as against 1.31x as on March 31, 2023. Further the gearing of the Group stood comfortable at 0.38x as on March 31, 2025 (Provisional). The debt protection metrics of the Group stood moderate marked by Interest Coverage Ratio at 2.01x as on March 31, 2024, and Debt Service Coverage Ratio at 1.09x as on March 31, 2024. The total debt/EBITDA stood high at 7.47x as on March 31, 2024. Again, the debt protection metrics of the Group stood comfortable marked by Interest Coverage Ratio at 5.32x as on March 31, 2025 (Provisional), and Debt Service Coverage Ratio at 1.39x as on March 31, 2025 (Provisional) respectively. Going forward, the capital structure of the company will improve over the projected years on account of increase in tangible net worth due to infusion of fresh equity and substantial prepayment of term loans.

- **Susceptibility of profitability to volatility in raw material price**
  The price of plastics and related products, which are the primary raw material for the Group is volatile in nature on account of being a crude oil derivative due to which the profitability margins of the Group are susceptible to the fluctuations in raw material prices. However, the Group also has long term contracts with their suppliers which allows them to mitigate the price fluctuation to some extent. The Group ultimately passes on the price risk to their customers.

- **Intense competition from both large and unorganised sector**
  The business environment remains competitive, given the fragmented and unorganised industry structure for the polyester staple fibre (PSF), PET chips and packaging industry. Despite having a well-established position, Pashupati Group remains exposed to stiff competition from other recognised players in the PSF, PET chips and packaging industry.

Analytical Approach: Combined

For arriving at the ratings, Infomerics has combined the financial risk profiles of Pashupati Laminators Private Limited (PLPL), Pashupati Polytex Private Limited (PPPL), Pashupati Excrusion Private Limited (PEPL) and Shree Ram Polymers together referred as Pashupati Group. This is because these companies, collectively referred to as the Pashupati Group, are under control of same promoters, have business and financial linkages.

The list of Companies is given in Annexure 4.

Applicable Criteria:

Rating Methodology for Manufacturing Companies

Financial Ratios & Interpretation (Non-Financial Sector)

Criteria of assigning rating outlook

Consolidation of companies

Policy on default recognition

Complexity level of rated Instruments/Facilities

Policy on Withdrawal of Ratings

Liquidity– Adequate

The Group has adequate liquidity position marked by sufficient net cash accruals vis-a-vis debt repayment obligations. The gross cash accruals stood at Rs.20.23 Cr as on March 31, 2024 as against long term debt repayment of Rs.17.28 Cr for the same period. The cash and bank balances of the Group stood at Rs.0.31 Cr as on March 31, 2024. Further, the current ratio stood comfortable at 1.59x as on March 31, 2024 and the Quick Ratio also stood comfortable at 1.07x as on March 31, 2024. The average fund-based limit utilisation remains high at around 80.90% over the twelve months ended March 2025. Again, the gross cash accruals stood at Rs.41.54 Cr as on March 31, 2025 (Provisional) as against long term debt repayment of Rs.24.02 Cr and the current ratio and quick ratio stood at 2.85x and 2.04x respectively. In addition to this, the Group has prepaid term loan of around Rs.100 Cr from their own sources and newly infused equity. Going forward, the liquidity position of the Group is likely to improve supported by steady accruals.

About the Company

Incorporated in the year 2009 with an installed capacity of 68256 TPA, Pashupati Polytex Private Limited (PPPL) is engaged in manufacturing of recycled polyester fibre (rPSF) and rPET flakes from PET chips and waste plastic bottles.

Financials (Standalone): **(Rs. crore)**

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	283.40	274.24
EBITDA	25.14	28.05
PAT	3.16	15.01
Total Debt	152.07	72.91
Adjusted Tangible Net Worth	81.31	307.02
EBITDA Margin (%)	8.87	10.23
PAT Margin (%)	1.10	5.44
Overall Adjusted Gearing Ratio (x)	1.87	0.24
Interest Coverage (x)	2.11	9.32

** Classification as per Infomerics' standards.*

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Sr. No.	Name of Instrument/ Facilities	Current Rating (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	
					April 18, 2025		March 11, 2024	February 13, 2023	September 28, 2022
1.	Term Loans	Long Term	21.95	IVR BBB/ Stable	IVR BBB-/ Negative ISSUER NOT COOPERATING*	-	IVR BBB/ Stable	IVR BBB/ Stable	IVR BB+ ISSUER NOT COOPERATING*
2.	GECL Loans	-	-	Withdrawn	IVR BBB-/ Negative ISSUER NOT COOPERATING*	-	IVR BBB/ Stable	IVR BBB/ Stable	-
3.	Cash Credit	Long Term	50.00	IVR BBB/ Stable	IVR BBB-/ Negative ISSUER NOT COOPERATING*	-	IVR BBB/ Stable	IVR BBB/ Stable	IVR BB+ ISSUER NOT COOPERATING*
4.	EPC/PCFC	-	-	-	-	-	-	IVR A3+	IVR A4+ ISSUER NOT COOPERATING*
5.	Letter of Credit	Short Term	25.00	IVR A3+	IVR A3 ISSUER NOT COOPERATING*	-	IVR A3+	IVR A3+	IVR A4+ ISSUER NOT COOPERATING*
6.	Bank Guarantee	Short Term	3.50	IVR A3+	IVR A3 ISSUER NOT COOPERATING*	-	IVR A3+	IVR A3+	IVR A4+ ISSUER NOT COOPERATING*
7.	Derivatives	Short Term	0.85	IVR A3+	IVR A3 ISSUER NOT COOPERATING*	-	IVR A3+	IVR A3+	IVR A4+ ISSUER NOT COOPERATING*
8.	Proposed Letter of Credit	Short Term	7.09	IVR A3+	IVR A3 ISSUER NOT COOPERATING*	-	IVR A3+	-	-

*Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Private Limited] 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 instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan-1	-	-	-	-	Withdrawn
Term Loan-2	-	-	-	-	Withdrawn

Term Loan-3	-	-	FY 2026	0.25	IVR BBB/ Stable
Term Loan-4	-	-	FY 2031	21.70	IVR BBB/ Stable
GECL – 1	-	-	-	-	Withdrawn
GECL – 2	-	-	-	-	Withdrawn
Term Loan-5	-	-	-	-	Withdrawn
Cash Credit-1	-	-	-	24.50	IVR BBB/ Stable
Cash Credit-2	-	-	-	25.50	IVR BBB/ Stable
Bank Guarantee-1	-	-	-	2.50	IVR A3+
Letter of Credit-1	-	-	-	5.00	IVR A3+
Derivative	-	-	-	0.85	IVR A3+
Bank Guarantee-2	-	-	-	1.00	IVR A3+
Letter of Credit-2	-	-	-	20.00	IVR A3+
Proposed Letter of Credit	-	-	-	7.09	IVR A3+

Annexure 2: Facility wise lender details
https://www.infomerics.com/admin/prfiles/Len-Pashupati-Polytex-3july25.pdf

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

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

Name of the Company	Combining Approach
Pashupati Excrusion Private Limited	Full Combined
Pashupati Laminators Private Limited	Full Combined
Pashupati Polytex Private Limited	Full Combined
Shree Ram Polymers	Full Combined

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.