



**Press Release**  
**PRADIP POLYFILS PRIVATE LIMITED**  
**May 07, 2025**  
**Rating Reaffirmed**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	36.45	ACUITE BBB-   Stable   Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	36.45	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has reaffirmed the long-term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) on the Rs. 36.45 Crore bank facilities of Pradip Polyfils Private Limited. The outlook is "Stable".

**Rationale for Reaffirmation**

The rating takes into cognizance the steady business risk profile of the company of Rs. 123.76 Cr. in FY24 against Rs. 103.64 Cr. in FY23. The increase of 19.42% is attributed to the increase in the order flow and the expansion of the manufacturing capacities. However, the topline of the company for FY25 is Rs. 97.00 Cr. The decline was attributed to subdued demand in the domestic market, compounded by a shortage of containers that restricted the supply of raw materials for the company. The EBITDA margins of the company stood at 32.50% in FY 25 (estd.) against 37.61% in FY24 and 35.59% in FY23. For FY24, the company had better order flow and better margins because of the decrease in the overall prices of the raw materials. The rating also factors in the healthy financial risk profile, healthy gearing, strong debt protection metrics and adequate liquidity profile of the company. However, the rating is constrained on account of increase in its working capital cycle and volatility in the prices of raw materials. Acuite notes that going forward, ability of the company to sustain its revenue and profitability margins while scaling up of operations along with managing its working capital operations will remain key rating sensitivity.

**About the Company**

Incorporated in 1987 Pradip Polyfils Private Limited (PPPL) is a Gujarat-based company promoted by Mr. Vijay Kansara. The company is engaged in the manufacture of polypropylene filter plates used in filter press machines and derives its revenue from domestic as well as exports markets. It supplies to USA, Japan, and European countries. PPPL manufactures Recessed Chamber Filter Plate, Detachable Rubber Membrane Plate, Caulked & Gasket (CGR) Plates, Plate & Frame type Filter Plates in various configuration and specification as well as customized solutions.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has considered the standalone business and financial risk profile of PPPL to arrive at the rating.

## Key Rating Drivers

### Strengths

### **Established track record of operations and experienced management**

Established in 1987 Pradip Polyfils Private Limited is backed by the Director of PPPL Mr. Vijay Ratilal Kansara having more than two decades of experience in polypropylene filter plates manufacturing. It has also established operational track record of more than two decades. Due to the same, the Company has been able to maintain healthy relationship with its customers with whom it receives repeat orders and also with their suppliers which provides ease in availability of raw materials.

### **Healthy Financial Risk Profile**

The financial risk profile of the company is marked by healthy tangible net-worth of Rs. 116.69 Cr. as on 31st March 2024 against Rs. 89.05 Cr. as on 31st March 2023. The improvement has been noticed because of ploughing back of profits. The total debt of the company is Rs. 58.66 Cr as on 31st March 2024 (LT – 33.40 Rs. Cr., USL – Rs. 12.90 Cr. and ST – Rs. 12.36 Cr.) against Rs. 8.24 Cr (LT – Rs. 0.87 Cr., USL – Rs. 4.90 Cr and ST – Rs. 2.47 Cr.) as on 31st March 2023. The gearing stands low at 0.50 times in FY24 against 0.09 times in FY23. Further, the interest coverage ratio of the company stood at 27.69 times in FY24 against 45.78 times in FY23 and the debt service coverage ratio stood at 17.97 times in FY24 against 21.13 times in FY23. The TOL/TNW stood at 0.90 times in FY24 against 0.56 times in FY23. The NCA/TD stood at 0.68 times in FY24 as against 3.58 times in FY23. Acuité believes that the financial risk profile of PPPL likely remains healthy over the medium term on account of absence of any major debt funded CAPEX plans.

### **Weaknesses**

#### **Decline in scale of operations and profitability margins**

The company have achieved a revenue of Rs. 123.76 Cr. in FY24 against Rs. 103.64 Cr. in FY23. The increase of 19.42% is attributed to the increase in the order flow and the expansion of the manufacturing capacities. The topline of the company estimated for FY25 is Rs. 97.00 Cr. with a decline in the profitability margins. The decline can be attributed to lower-than-expected demand in the domestic market, compounded by a shortage of containers that restricted the supply of raw materials to the company during FY25. The EBITDA margins of the company was estimated at 32.50% in FY 25 against 37.61% in FY24 and 35.59% in FY23. The PAT margins of the company stood at 29.11% in FY24 as compared to 24.58% in FY23. The increase in PAT was because of the increase in interest received from the FDRs. However, the same is likely to stabilize in the medium term. The company has a total outstanding order book of Rs. 25.00 Cr. as of April 2025 which will be executed within 3 to 4 months. Going forward, the company is likely to have an improved topline on account of the increased capacity albeit the ongoing geopolitical tensions over the medium term.

#### **Intensive working capital management**

The working capital operations of the company remained intensive marked by GCA days which stood at 220 days as on as on 31st March 2024 against 231 days as on 31st March 2023. A further stretch in the GCA days is expected in FY25 on account of increase in the inventory turnover and elongated customer payment cycles. The inventory and debtor days of the company stood at 101 days and 102 days respectively as on 31st March 2024 against 102 days and 112 days respectively as on 31st March 2023. On the other hand, the creditor days of the company stood at 121 days as on 31st March 2024 against 119 days as on 31st March 2023. Acuité believes that the working capital cycle of PPPL is likely to remain skewed in the medium term and will remain a key monitorable.

### **Rating Sensitivities**

Movement in scale of operations and profitability  
Movement in working capital cycle  
Debt funded capex plans

### **Liquidity Position**

#### **Adequate**

The company generated a net cash accrual of Rs. 39.81 Cr. as on as on 31st March 2024 against the debt repayment obligations of Rs. 0.42 Cr. in the same period. The average cash accruals for the upcoming years are expected to be more than sufficient for the coming years with debt repayment obligations of Rs. 5.60 Cr. per year. The current ratio of the company declined to 1.81 times as on 31st March 2024 against 2.42 times as on 31st March 2023 because of the increase in the provisions. The company generally pays out dividend of about 20.00% to 25.00% of the total profits. The company has Rs. 15.34 Cr. worth of unencumbered FDRs and Rs. 16.58 Cr. worth of Mutual Fund investments. Further, the average bank limit utilization at the month end balance stood low at 17.00% for 6 months ending March 2025 and the average of maximum utilizations during the months stood at 78.00% for the same period. Acuité believes that the liquidity of PPPL is likely to remain adequate over the medium term.

**Outlook : Stable**

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	123.76	103.64
PAT	Rs. Cr.	36.03	25.47
PAT Margin	(%)	29.11	24.58
Total Debt/Tangible Net Worth	Times	0.50	0.09
PBDIT/Interest	Times	27.69	45.78

### Status of non-cooperation with previous CRA (if applicable)

Not Applicable

### Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

### Any other information

None

### Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Feb 2024	Cash Credit	Long Term	3.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB-)
	Term Loan	Long Term	11.07	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	16.93	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	5.45	ACUITE BBB-   Stable (Assigned)
	Letter of Credit	Short Term	1.40	ACUITE Not Applicable (Withdrawn)
	Bank Guarantee/Letter of Guarantee	Short Term	0.08	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	2.65	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	1.42	ACUITE Not Applicable (Withdrawn)
27 Sep 2023	Bank Guarantee/Letter of Guarantee	Short Term	0.08	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Letter of Credit	Short Term	1.40	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	3.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.65	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.42	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
29 Jun 2022	Letter of Credit	Short Term	1.40	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Bank Guarantee/Letter of Guarantee	Short Term	0.08	ACUITE A4+ (Reaffirmed & Issuer not co-operating*)
	Cash Credit	Long Term	3.00	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	2.65	ACUITE BB- (Reaffirmed & Issuer not co-operating*)
	Term Loan	Long Term	1.42	ACUITE BB- (Reaffirmed & Issuer not co-operating*)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BBB-   Stable   Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.71	Simple	ACUITE BBB-   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Jun 2031	7.62	Simple	ACUITE BBB-   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	13 Jul 2023	Not avl. / Not appl.	21 Aug 2031	8.66	Simple	ACUITE BBB-   Stable   Reaffirmed
Canara Bank	Not avl. / Not appl.	Term Loan	13 Jul 2023	Not avl. / Not appl.	21 Aug 2031	15.46	Simple	ACUITE BBB-   Stable   Reaffirmed

## Contacts

Mohit Jain Senior Vice President-Rating Operations	<b>Contact details exclusively for investors and lenders</b>
Shubham Jain Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: <a href="mailto:analyticalsupport@acuite.in">analyticalsupport@acuite.in</a>

### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

**Disclaimer:** An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website ([www.acuite.in](http://www.acuite.in)) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

**Note:** None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.