



August 12, 2025

BSE Limited

Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

National Stock Exchange of India Limited

Exchange Plaza, Plot No. C/1,
G Block, Bandra – Kurla Complex, Bandra (East),
Mumbai 400 051

Scrip Code: **507779**

Trading Symbol: **KANPRPLA**

Sub.: Intimation Under Regulation 30(1) (Listing Obligation and Disclosure Requirements) Regulations 2015 –Credit Rating

Dear Sir,

Pursuant to Regulation 30(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that **CRISIL Ratings Limited** (“**CRISIL**”) has assigned the following credit rating to the Company for its credit facilities:

- **Long-Term Rating: CRISIL BBB+/Stable**
- **Short Term Rating: CRISIL A2**

Crisil Ratings has reaffirmed its ‘**Crisil BBB+/Stable**’ rating to the long-term bank facilities and has assigned ‘**Crisil A2**’ rating on short term bank facilities .

A copy of the detailed Rating Rationale received from CRISIL Ratings Limited is attached herewith for your reference.

The Company received the credit rating communication from CRISIL today i.e. **August 12, 2025**, via email.

Kindly take this on record and oblige.

Thanking you,

Yours Faithfully,
For **KANPUR PLASTIPACK LTD.**

(Ankur Srivastava)
Company Secretary

Encl: A/a

Manufacturers & Exporters:

Flexible Intermediate Bulk Container (FIBC) | PP Multifilament Yarn | UV Master Batches | Fabrics | CPP Films
CIN: L25209UP1971PLC003444



D-19,20 Panki Industrial Area,
Kanpur-208022, India



+91 (512)2691113-116



info@kanplas.com



www.kanplas.com

Kanpur Plastipack Limited

**Rating reaffirmed at 'Crisil BBB+ / Stable'; 'Crisil A2 ' assigned to Bank Debt;
rated amount enhanced for Bank Debt**

Rating Action

Total Bank Loan Facilities Rated	Rs.225 Crore (Enhanced from Rs.80 Crore)
Long Term Rating	Crisil BBB+/Stable (Reaffirmed)
Short Term Rating	Crisil A2 (Assigned)

Note: None of the Directors on Crisil Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

Detailed Rationale

Crisil Ratings has reaffirmed its '**Crisil BBB+/Stable**' rating to the long-term bank facilities and has assigned '**Crisil A2**' rating on short term bank facilities of Kanpur Plastipack Ltd (KPL)

The rating continues to reflect the company's strong market position as a manufacturer of flexible intermediate bulk containers (FIBCs), polypropylene multi-filament yarn (MFY) and woven fabrics, ultra violet (UV) masterbatches with a diversified global footprint across countries such as Brazil, US, Europe etc. The company has a strong position in the overseas market with exports contributing to around 66% of total revenue.

Overall revenue has grown by around 26.4% to Rs 628.61 crore in fiscal 2025 from Rs 497.41 crore in fiscal 2024, marked by growth in volume and realisations. Operating margin has risen to 9.5% from 5.43% over the same period, driven by better realisations in South America and drop in raw material prices. Steady demand from Europe and the US also led to growth in volume and realisations. Going forward, sustained growth in scale and stable operating margin of over 9% remain key monitorable.

The financial risk profile remains comfortable, aided by steady debt repayment. KPL has cleared the debt raised to set up the cast polypropylene (CPP) film unit as the division was shut down, following continued losses. Debt was repaid using the proceeds of sale and funds raised via issue of warrants of Rs 20.50 crore in fiscal 2025. The company had outstanding debt of Rs 24 crore as of July 2025 and plans to raise Rs 13.15 crore in fiscal 2026 via warrants.

The rating reflects KPL's established market position and extensive experience of its promoter in the packaging business. The rating also factors in the company's comfortable financial risk profile. These strengths are partially offset by susceptibility of the operating margin to volatility in raw material prices and foreign exchange (forex) rates.

Analytical Approach

Crisil Ratings has combined the business and financial risk profiles of KPL and its subsidiary, Bright Choice Ventures Pvt Ltd and Kanplas Earning Solutions Pvt Ltd.

Key Rating Drivers & Detailed Description

Strengths:

Established market position and extensive experience of the promoters: KPL caters to a reputed clientele and receives steady repeat orders from them. The five-decade-long experience of the promoter in the packaging industry, his strong understanding of market dynamics, and healthy relationships with customers and suppliers will continue to support the business risk profile.

Overall revenue has grown by around 26.4% to Rs 628.61 crore in fiscal 2025 from Rs 497.41 crore in fiscal 2024, marked by growth in volume and realisations. KPL caters to a diversified end-user industry base, which includes agriculture, chemicals, food processing, pharmaceuticals and construction. With exports forming over 70% of revenue, any major factor impacting the global economy will remain monitorable.

Comfortable financial risk profile: Capital structure remains healthy aided by steady repayment of external debt. Gearing stood at 0.70 time while the total outside liabilities to adjusted networth (TOL/ANW) ratio stood at 1.37 times as on March 31, 2025. Interest coverage and net cash accrual to total debt ratios stood at 2.86 times and 0.17 time, respectively, for fiscal 2025, and are expected to remain steady over the medium term.

Financial risk profile was impacted during fiscal 2024 due to sizeable debt raised towards set up of the CPP division, however as the unit has now been shut down, debt has been repaid and the outstanding debt as of July 2025 was Rs 24 crore. With no major debt funded capex plans, the financial risk profile should remain comfortable.

Weaknesses:

Susceptibility to intense competition and volatility in raw material prices: Raw material cost forms 60-65% of the cost of sales, and any adverse movement in input prices could constrain the operating margin term. Moreover, as bulk of revenue comes from the international market, any sharp fluctuation in forex rates also affects realisations and accrual. Thus, the operating margin remains exposed to fluctuations in raw material cost and forex rates. Out of 25-30 players in the domestic FIBC segment, only 10 have large capacities. In addition to competing between themselves, these players also face competition from Turkey. Turkey benefits from proximity to the European Union and continues to be one of the largest exporters to Europe.

Limited diversification in revenue:

The product portfolio comprises FIBC, fabrics and multi-filament yarn. FIBC accounted for 55-60% of revenue in fiscal 2025. Exports alone formed around 66% of revenue. The top 10 customers contributed to around 40% of total revenue. Further, sales to clients in Europe accounted for 45-50% of revenue, while that to customers in North and South America accounted for 25-30% of revenue. Hence, revenue and profitability remain susceptible to any cyclical in Europe and South America.

Liquidity

Bank limit utilisation averaged around 82.41% for the 12 months ended June 30, 2025. Expected cash accrual of over Rs 25 crore should suffice to cover the term debt obligation of Rs 15-20 crore over the medium term. Current ratio was moderate at 1.08 times as on March 31, 2025

Outlook Stable

Crisil Ratings believes KPL will continue to benefit from the extensive experience of its promoter in the packaging business and the established relationships with clients.

Rating sensitivity factors

Upward factors

- Sustained growth in revenue (by 20%) and steady operating margin of 10-11%, leading to higher cash accrual
- Sustained improvement in working capital cycle and financial risk profile

Downward factors

- Decline in revenue or operating margin below 6%, leading to lower-than-expected net cash accrual
- Any large debt-funded capital expenditure weakening the capital structure

About the Company

About the Company KPL was incorporated in July 1971 by Mr Mahesh Swarup Agarwal. It began operations by manufacturing high-density polyethylene woven fabric and sacks and plastic packaging material; installed capacity was 130 tonne per annum. In fiscal 2004, KPL shifted focus to the FIBC segment from woven fabric and sacks. The company now manufactures FIBCs, PP MFY and woven fabrics and UV masterbatches. It also trades in products of Indian Oil Corporation Ltd, as a consignment stockist. The company is listed on the Bombay Stock Exchange and the National Stock Exchange of India. Operations are managed by Mr Manoj Agarwal and Mr Shashank Agarwal.

Key Financial Indicators

As on / for the period ended March 31		2025	2024
Operating income	Rs crore	628.61	497.41
Reported profit after tax	Rs crore	11.10	0.81
PAT margin	%	1.76	0.16
Adjusted debt/Adjusted networkth	Times	0.70	1.25
Interest coverage	Times	2.86	1.83

Any other information: Not applicable

Crisil Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

Crisil Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the Crisil Ratings` complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments

Annexure - Details of Instrument(s)

ISIN	Name Of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crore)	Complexity Levels	Rating Outstanding with Outlook
NA	Bank Guarantee	NA	NA	NA	9.00	NA	Crisil A2
NA	Fund-Based Facilities	NA	NA	NA	145.48	NA	Crisil BBB+/Stable
NA	Letter of Credit	NA	NA	NA	13.00	NA	Crisil A2
NA	Non-Fund Based Limit	NA	NA	NA	15.00	NA	Crisil A2
NA	Standby Line of Credit	NA	NA	NA	20.00	NA	Crisil BBB+/Stable
NA	Rupee Term Loan	NA	NA	NA	9.44	NA	Crisil BBB+/Stable
NA	Rupee Term Loan	NA	NA	NA	2.79	NA	Crisil BBB+/Stable
NA	Rupee Term Loan	NA	NA	NA	10.29	NA	Crisil BBB+/Stable

Annexure - Details of Rating Withdrawn

Annexure – List of entities consolidated

Names of Entities Consolidated	Extent of Consolidation	Rationale for Consolidation

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2025 (History)		2024		2023		2022		Start of 2022
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	188.0	Crisil BBB+/Stable	31-07-25	Crisil BBB+/Stable		--	24-03-23	Withdrawn	03-10-22	Crisil A-/Stable	Crisil BBB+/Positive / Crisil A2
			--		--		--		--	04-03-22	Crisil A-/Stable	--
Non-Fund Based Facilities	ST	37.0	Crisil A2		--		--	24-03-23	Withdrawn	03-10-22	Crisil A-/Stable	Crisil A2

											e / Crisil A2+	
			--		--		--		--	04- 03- 22	Crisil A2+	--

All amounts are in Rs.Cr.

Annexure – Details of Bank Lenders/Facilities

Facility	Amount (Rs. Crore)	Name of Lender	Rating
Bank Guarantee	9	State Bank of India	Crisil A2
Fund-Based Facilities	54.48	State Bank of India	Crisil BBB+/Stable
Fund-Based Facilities	80	State Bank of India	Crisil BBB+/Stable
Fund-Based Facilities	11	Axis Bank Limited	Crisil BBB+/Stable
Letter of Credit	13	State Bank of India	Crisil A2
Non-Fund Based Limit	12	State Bank of India	Crisil A2
Non-Fund Based Limit	3	Axis Bank Limited	Crisil A2
Rupee Term Loan	9.44	State Bank of India	Crisil BBB+/Stable
Rupee Term Loan	2.79	HDFC Bank Limited	Crisil BBB+/Stable
Rupee Term Loan	10.29	Axis Bank Limited	Crisil BBB+/Stable
Standby Line of Credit	20	State Bank of India	Crisil BBB+/Stable

For further information contact:

Media Contacts	Analytical Contacts	Crisil Rating Desk
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<p>Ramkumar Uppara Media Relations Crisil Limited M: +91 9820177907 B: +91 22 6137 3000 ramkumar.uppara@crisil.com</p> <p>Kartik Behl Media Relations Crisil Limited M: +91 9004333899 B: +91 22 61373000 kartik.behl@crisil.com</p>	<p>Nitin Kansal Director - Crisil Ratings Tel: Email:nitin.kansal@crisil.com</p> <p>Naman Jain Team Leader - Crisil Ratings Tel: Email:naman.jain@crisil.com</p> <p>Sarthak Gupta Management Trainee - Crisil Ratings Tel: Email:sarthak.gupta@crisil.com</p>	<p>Timings: 10.00 am to 7.00 pm Toll free number: 1800 267 3850 Email: Crisilratingdesk@crisil.com</p>
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