June 16, 2026

Premier Polyfilm Limited: Ratings upgraded and removed from Issuer Not-Cooperating category

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund-based – Term Loans	13.21	13.21	[ICRA]A-(Stable); upgraded from [ICRA]BBB+(Stable) ISSUER NOT COOPERATING and removed from Issuer Not Cooperating category
Long Term/Short Term-Fund Based – Working demand loan	25.50	25.50	[ICRA]A-(Stable)/ [ICRA]A2+; upgraded from [ICRA]BBB+(Stable) ISSUER NOT COOPERATING/ [ICRA]A2 ISSUER NOT COOPERATING and removed from Issuer Not Cooperating category
Short Term – Non Fund Based Letter of Credit	14.25	14.25	[ICRA]A2+; upgraded from [ICRA]A2 ISSUER NOT COOPERATING and removed from Issuer Not Cooperating category
Short Term – Non Fund Based LC/BG	(10.50)	(10.50)	[ICRA]A2+; upgraded from [ICRA]A2 ISSUER NOT COOPERATING and removed from Issuer Not Cooperating category
Short Term – Non fund based Forward Cover	1.00	1.00	[ICRA]A2+; upgraded from [ICRA]A2 ISSUER NOT COOPERATING and removed from Issuer Not Cooperating category
Long Term/Short Term-Fund Based/Non fund Based – Unallocated	6.04	6.04	[ICRA]A-(Stable)/ [ICRA]A2+; upgraded from [ICRA]BBB+(Stable) ISSUER NOT COOPERATING/ [ICRA]A2 ISSUER NOT COOPERATING and removed from Issuer Not Cooperating category
Total	**60.00**	**60.00**	

**Instrument details are provided in Annexure II*

Rationale

The rating upgrade factors in the consistent improvement in the credit profile of Premier Polyfilm Limited (PPL/the company) supported by improving scale of operations and profits. The company's revenues have grown to Rs. 296.6 crore in FY2026 from Rs. 212.8 crore in FY2022 supported by capacity expansion and healthy ramp up of the sales volumes. The operating profit has improved to Rs. 45.9 crore in FY2026 from Rs. 19.1 crore in FY2022, with improvement in the operating margins from 9% in FY2022 to 15.5% in FY2026. The margin improvement has been driven by company witnessing increasing sales to the Indian Railways which has supported higher profitability and incremental approvals with the Original Equipment Manufacturers (OEMs) in the automotive industry as a Tier-2/3 supplier of the company's products. The credit profile of the company has also improved with debt levels at Rs. 18.5 crore as on March 31, 2026, with Total Debt/OPBDITA of 0.4x and TOL/TNW of 0.36x as on March 31, 2026. Going forward, ICRA expects the company's credit metrics to remain healthy despite undertaking capex for capacity expansion as the overall cash generation remains steady and the cash on the books of the company remains healthy which will keep the debt metrics comfortable. The capex is also being taken up in phases so the cash outflow towards capex is also expected to be well spread out over FY2027 to FY2029. The ratings continue to factor in the established track record of the company in the PVC products segment and the comfortable financial risk profile supported by healthy demand for its products.

The ratings, however, are constrained by the exposure of the company to raw material price fluctuations as the PVC prices are linked to global prices and can remain volatile thereby resulting in pressure on profitability. Additionally, since the company operates in a fragmented industry, the pricing power remains limited. The company will be incurring capex to set up a new plant in Chennai and the capex is expected to be carried out in phases. Given the greenfield nature of the capacity being set up, the company will remain exposed to project execution risk. The current level of liquidity on books of the company and the moderate level of debt on the books of the company, ICRA expects the credit profile of the company to remain adequate going forward despite undertaking the capex.

ICRA expects the credit profile of the company to remain stable going forward amid stable demand for the company's products which should aid healthy cash generation adequate to meet the debt servicing requirements while keeping the credit prolife stable.

Key rating drivers and their description

Credit strengths

Established track record in the PVC products industry – The company has an established track record of more than 30 years in manufacturing and selling PVC vinyl flooring, films and sheets along with artificial leather. The company supplies PVC membrane flooring sheets to the Indian Railways and PVC leather sheets to tier-2 and tier-3 suppliers of automotive OEMs. It also has a healthy distribution network, comprising around 100 dealers/distributors covering major parts of the Indian market. The company has been able to increase its supplies to the Indian Railways (IR) in the recent past on the back of its ability to meet the latter's specific requirements.

Strong revenue growth backed by healthy demand for its products in diversified client segments – PPL has been witnessing healthy uptrend in revenue for the past few years and realized a growth of 12% during FY2026 driven by a mix of sales volume and elevated PVC prices which led to higher prices of end products. While the sales volume witnessed a 3% YoY FY2026 partly supported by increased offtake and partly by increase in capacity utilization, the same was further supported by increased realisation due to a mix of input price volatility and operating leverage.

Comfortable financial risk profile – PPL's credit profile is marked by a mix of term debt availed for capacity expansion and short-term debt for funding working capital requirements. The leverage and coverage indicators have been improving with the rising scale of operations and improvement in gross margins over the years. The company's gearing was 0.13x as on March 31, 2026, with healthy accretion to reserves and paring down of debt. PPL's working capital intensity increased during FY2026 to 28% from previous level of 17-22%, which has resulted in increased reliance on working capital borrowings. Going forward the credit metrics are expected to moderate marginally as the company undertakes expansion at the new facility planned at Chennai. Nevertheless, the metrics will remain comfortable for the rating levels.

Credit challenges

Exposure to price fluctuation in raw material – The company imports a major share of the raw material along with some domestic procurement. While exports provide some natural hedge, the remaining foreign exchange exposure is unhedged, exposing the company to foreign exchange risk. Additionally, the key raw material for the company is PVC paste. PVC prices depend on global demand-supply dynamics and thus the company's profitability remains exposed to the volatility in input prices.

Limited pricing power due to competitive industry with large number of players – PPL operates in a highly fragmented industry which limits its pricing power. The profitability and margins can be impacted when input prices are volatile as high competition restricts the company from passing on the hike in input prices to consumers.

Project execution risk – The company will be incurring capex to set up a new plant in Chennai and the capex is expected to be carried out in phases. Given the greenfield nature of the capacity being set up, the company will remain exposed to project execution risk. The ability of the company to undertake capex without impacting its credit profile materially and ability to ramp up the revenues from the new facility will remain key monitorable.

Liquidity position: Adequate

PPL's liquidity position is supported by healthy cash accruals, free cash balance of Rs. 16.68 crore as on March 31, 2026 and a cushion of ~Rs. 21.2 crore in fund based limits as on March 31, 2026. The overall liquidity position is expected to remain adequate in the near to medium term supported by net cash accruals of Rs. ~Rs. 35-40 crores per annum, with modest debt repayments over the course of next three years.

Rating sensitivities

Positive factors – The rating could be upgraded in case of significant scale up in the revenues and profitability of the company, while maintaining healthy debt metrics on a sustained basis.

Negative factors – The ratings may be downgraded if the company undertakes a materially large debt funded capex resulting in moderation in the credit profile. A significant moderation in the profitability and/or stretch in the working capital cycle leading to weakening of the liquidity profile may also result in a rating downgrade. A key credit metric that could lead to a downgrade will be Total Debt/OPBDITA above 2.0x on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	ICRA has considered standalone financials of the company

About the company

Premier Polyfilm Ltd. is a Company incorporated in India on July, 1992. The Company is engaged in manufacture of vinyl flooring, PVC Sheeting and Artificial leather cloth which are used for a variety of industrial and consumer application. Premier Polyfilm Ltd. is one of the leading manufacturer and exporter of Calendared PVC products. The range of products include PVC Flooring, PVC Sheeting, PVC Flexible Film, Calendared Leather cloth, PVC Geomembrane, High voltage Insulated Mats etc. The company has a manufacturing capacity of 33,500 MTPA located in Sikandarabad, Uttar Pradesh.

Key financial indicators (audited)

Standalone	FY2024	FY2025	FY2026*
Operating income	260.09	264.13	296.58
PAT	20.60	26.00	31.88
OPBDIT/OI	12.6%	14.2%	15.5%
PAT/OI	7.9%	9.8%	10.7%
Total outside liabilities/Tangible net worth (times)	0.40	0.38	0.36
Total debt/OPBDIT (times)	0.45	0.56	0.40
Interest coverage (times)	16.09	32.29	56.72

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. Crore; *Result*

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instruments	Current (FY2027)				Chronology of rating history for the past 3 years					
					FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term loans	Long term	13.21	Jun 16, 2026	[ICRA]A-(Stable)	-	-	Jan 06, 2025	[ICRA]BBB + (Stable)	Jan 11, 2024	[ICRA]BBB+ (Stable)
			April 30, 2026	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING						
Fund based - working demand loan	Long term/ Short term	25.50	Jun 16, 2026	[ICRA]A- (Stable)/ [ICRA]A2+	-	-	Jan 06, 2025	[ICRA]BBB + (Stable)/ [ICRA]A2	Jan 11, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2
			April 30, 2026	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING/ [ICRA]A2; ISSUER NOT COOPERATING						
Non-fund based - LC/BG	Short term	14.25	Jun 16, 2026	[ICRA]A2+	-	-	Jan 06, 2025	[ICRA]A2	Jan 11, 2024	[ICRA]A2
			April 30, 2026	[ICRA]A2; ISSUER NOT COOPERATING						
Non-fund based - LC/BG*	Short term	(10.50)	Jun 16, 2026	[ICRA]A2+	-	-	Jan 06, 2025	[ICRA]A2	Jan 11, 2024	[ICRA]A2
			April 30, 2026	[ICRA]A2; ISSUER NOT COOPERATING						
Forward limits	Short term	1.00	Jun 16, 2026	[ICRA]A2+	-	-	Jan 06, 2025	[ICRA]A2	Jan 11, 2024	[ICRA]A2
			April 30, 2026	[ICRA]A2; ISSUER NOT COOPERATING						
Unallocated limits	Long term/ Short term	6.04	Jun 16, 2026	[ICRA]A- (Stable)/ [ICRA]A2+	-	-	Jan 06, 2025 -	[ICRA]BBB + (Stable)/ [ICRA]A2 -	Jan 11, 2024 -	[ICRA]BBB+ (Stable)/ [ICRA]A2
			April 30, 2026	[ICRA]BBB+ (Stable); ISSUER NOT COOPERATING/ [ICRA]A2; ISSUER NOT COOPERATING						

**Total exposure under working capital facility issued by Kotak Mahindra Bank cannot exceed Rs. 11.5 crore including long term fund based working capital facility of Rs. 11.5 crore*

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

($) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based – Term Loans	Simple
Long Term/Short Term-Fund Based – Working demand loan	Simple
Short Term – Non Fund Based LC/BG	Simple
Short Term – Non Fund Based LC/BG	Simple
Short Term – Non fund based Forward limits	Simple
Long Term/Short Term-Fund Based/Non fund Based – Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click Here

Annexure II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	**Term loans**	FY2019	NA	FY2024	0.27	[ICRA]A-(Stable)
NA	**Term loans**	FY2020	NA	FY2027	12.11	[ICRA]A-(Stable)
NA	**Term loans**	FY2021	NA	FY2025	0.83	[ICRA]A-(Stable)
NA	**Fund-based working demand loan**	NA	NA	NA	25.50	[ICRA]A-(Stable)/[ICRA]A2+
NA	**Non-fund based - LC/BG**	NA	NA	NA	14.25	[ICRA]A2+
NA	**Non-fund based - LC/BG***	NA	NA	NA	(10.50)	[ICRA]A2+
NA	**Non-fund based Forward limits**	NA	NA	NA	1.00	[ICRA]A2+
NA	**Fund Based/Non fund Based – Unallocated**	NA	NA	NA	6.04	[ICRA]A-(Stable)/[ICRA]A2+

*Source: Company; * Total exposure under working capital facility issued by Kotak Mahindra Bank cannot exceed Rs. 11.5 crore including long term fund based working capital facility of Rs. 11.5 crore*

Please click here to view details of lender-wise facilities rated by ICRA

Annexure III: List of entities considered for consolidated analysis -Not applicable

ANALYST CONTACTS

Girishkumar Kadam
+91 22 6114 3441
girishkumar@icraindia.com

Prashant Vasisht
+91 124 4545 322
prashant.vasisht@icraindia.com

Varun Gogia
+91 124 4545 319
varun.gogia1@icraindia.com

Mohika Kundara
+91 124 4545 323
mohika.kundara@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited

Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45

Branches