

September 16, 2025

Big Bags International Pvt Ltd: Update on entity

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long-term Fund-based - Term Loan	90.00	90.00	[ICRA]A (Stable)
Long-term - Unallocated	10.00	10.00	[ICRA]A (Stable)
Short-term Fund-based Facilities	50.00	50.00	[ICRA]A1
Short-term Fund-based Facilities - Sub-limit	(110.00)	(110.00)	[ICRA]A1
Short-term Non-fund Based facilities - Sub-limit	(100.00)	(100.00)	[ICRA]A1
Total	150.00	150.00	

*Instrument details are provided in Annexure I

Rationale

ICRA notes that Big Bags International Private Limited (BBIPL) derives sizeable share of its revenues (47% in FY2025) from export of flexible intermediate bulk container (FIBC) bags to the US, which would be subject to incremental tariff of 50% (taking the overall tariff to 58.4%) from August 27, 2025. While the sizeable increase in tariff would increase the cost of FIBC bags imported from India for the US-based consumers, essential nature of the products, given their use in packaging critical products such as pharmaceuticals, chemicals, food products, etc., lower cost of FIBC bags compared to the value of products packaged using these bags, significant dependence of the US on Indian imports for FIBC bags, and long lead time for approval of new vendors (for FIBC bags supplies) are expected to support the company's sales volumes and earnings. The company recorded a healthy revenue growth of 34% (on a YoY basis) in 4M FY2026 while its PBT margin improved to 17.3% from 16.4% in FY2025. The company has been able to pass on the 25% reciprocal tariff to its US customers (which was effective from August 07, 2025), which supported the company's margins. However, sizeable advancement of orders prior to implementation of tariff is expected to result in a demand slowdown in the next few months. Nevertheless, the company's financial profile is expected to remain healthy with comfortable debt levels, healthy capital structure and coverage metrics, and a strong liquidity position. ICRA will continue to monitor the developments on this front and assess the impact on the credit profile of the company.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	Standalone

About the company

Big Bags, incorporated in 2000, has its headquarters in Mangalore (India). It manufactures FIBC bags with a production capacity of 21,000 MTPA. It exports to over 20 countries across five continents. The company's infrastructural facilities include extrusion, circular looms, Sulzer fabric looms, lamination plants, lifting belts, fabric cutting facilities, four-colour printing, PE liner, and bag finishing. It has implemented hazard analysis critical control point in its clean room facility.

Key financial indicators (audited)

BBIPL(Standalone)	FY2024	FY2025
Operating income	303.9	398.5
PAT	29.6	48.0
OPBDITA/OI	16.1%	18.9%
PAT/OI	9.7%	12.0%
Total outside liabilities/Tangible net worth (times)	0.3	0.5
Total debt/OPBDITA (times)	0.8	0.9
Interest coverage (times)	27.1	29.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: 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

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs Crore)	Sep 16, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Long term-term loan-fund based	Long Term	90.00	[ICRA]A (Stable)	03-Apr-24	[ICRA]A (Stable)	-	-	28-Mar-23	[ICRA]A (Stable)
				18-Mar-25	[ICRA]A (Stable)	-	-	-	-
Short term-others-fund based	Short Term	50.00	[ICRA]A1	03-Apr-24	[ICRA]A1	-	-	28-Mar-23	[ICRA]A1
				18-Mar-25	[ICRA]A1	-	-	-	-
Short term-others-interchangeable	Short Term	(110.00)	[ICRA]A1	03-Apr-24	[ICRA]A1	-	-	28-Mar-23	[ICRA]A1
				18-Mar-25	[ICRA]A1	-	-	-	-
Short term-others-interchangeable	Short Term	(100.00)	[ICRA]A1	03-Apr-24	[ICRA]A1	-	-	28-Mar-23	[ICRA]A1
				18-Mar-25	[ICRA]A1	-	-	-	-
Long term-unallocated	Long Term	10.00	[ICRA]A (Stable)	03-Apr-24	[ICRA]A (Stable)	-	-	28-Mar-23	[ICRA]A (Stable)
				18-Mar-25	[ICRA]A (Stable)	-	-	-	-
Long term-others-interchangeable	Long Term	0.00	-	03-Apr-24	[ICRA]A (Stable)	-	-	28-Mar-23	[ICRA]A (Stable)
				18-Mar-25	[ICRA]A (Stable)	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term Fund-based – Term Loan	Simple
Long-term – Unallocated	Not Applicable
Short-term Fund-based Facilities	Very Simple
Short-term Fund-based Facilities – Sub-limit	Very Simple
Short-term Non-fund Based facilities – Sub-limit	Very Simple

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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan 1	FY2021	-	FY2026	15.00	[ICRA]A (Stable)
NA	Term Loan 2	FY2025	-	FY2030	75.00	[ICRA]A (Stable)
NA	Unallocated – Long Term	-	-	-	10.00	[ICRA]A (Stable)
NA	Export Credit – PCFC/EPC	-	-	-	30.00	[ICRA]A1
NA	PCL/PCFC	-	-	-	20.00	[ICRA]A1
NA	Post Shipment Finance (sublimit)	-	-	-	(30.00)	[ICRA]A1
NA	FDBP/FUBP/EBRD (sublimit)	-	-	-	(20.00)	[ICRA]A1
NA	Working Capital Demand Loan (sublimit)	-	-	-	(30.00)	[ICRA]A1
NA	Buyers Credit (sublimit)	-	-	-	(30.00)	[ICRA]A1
NA	Bank Guarantee (sublimit)	-	-	-	(50.00)	[ICRA]A1
NA	Letter of Credit (sublimit)	-	-	-	(50.00)	[ICRA]A1

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis - Not Applicable

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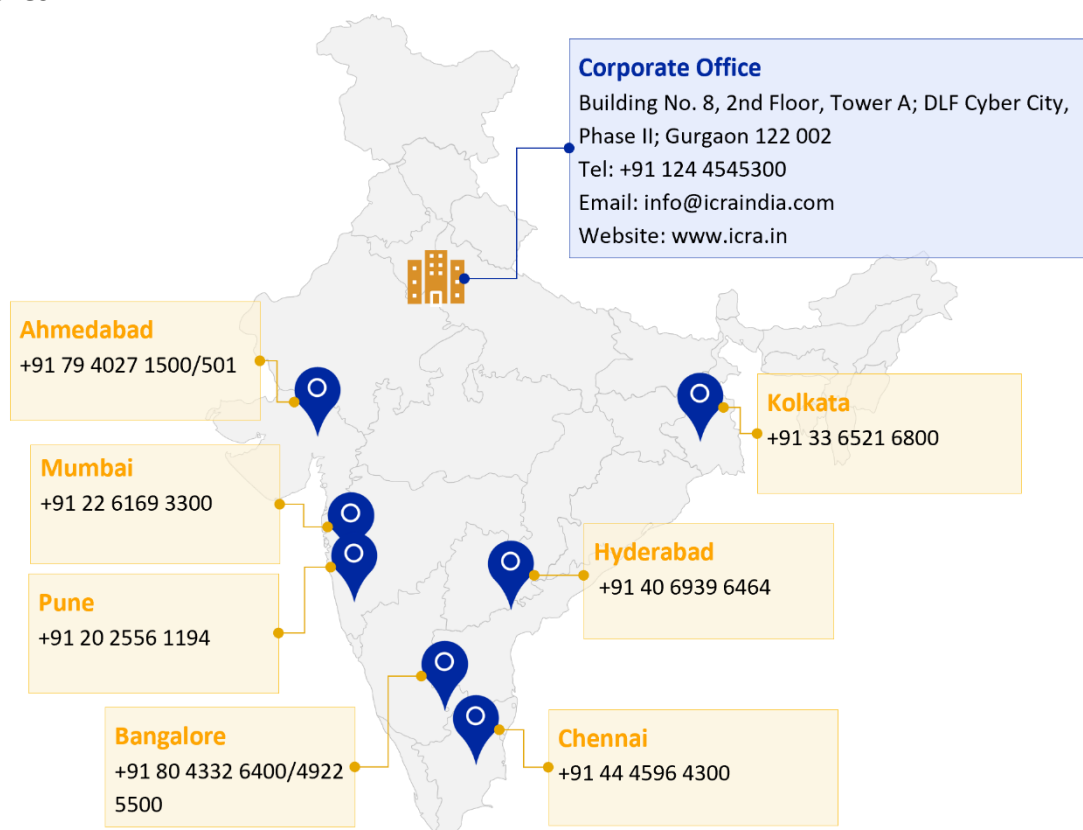
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