

December 11, 2025

## Parekhplast India Limited: Ratings upgraded to [ICRA]A-(Stable)/[ICRA]A2+

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based facilities/ Cash credit	42.37	42.37	[ICRA]A-(Stable); Upgraded from [ICRA]BBB+(Stable)
Fund-based facilities/ Term loans	56.47	47.68	[ICRA]A-(Stable); Upgraded from [ICRA]BBB+(Stable)
Non-fund based	1.59	1.64	[ICRA]A-(Stable)/[ICRA]A2+; Upgraded from [ICRA]BBB+(Stable)/[ICRA]A2
Unallocated	0.57	0.00	-
<b>Total</b>	<b>101.00</b>	<b>91.69</b>	

\*Instrument details are provided in Annexure-I

### Rationale

The ratings upgrade for Parekhplast India Limited (PIL) reflects an improvement in the credit profile of the parent, Shriji Polymers India Limited (SPIL, rated [ICRA]AA-(Stable)/A1+) along with a healthy increase in its scale of operations and improving profitability. ICRA expects that the same will sustain, going forward. ICRA expects PIL to continue to enjoy strong financial flexibility for being a wholly-owned subsidiary of SPIL. ICRA notes that PIL witnessed a robust revenue growth of 22.4% in FY2025, supported by healthy volume expansion. The operating profit margin (OPM) improved to 17.9% in FY2025 from 15.5% in FY2024 on the back of continued synergistic benefits from SPIL and operating leverage. The ratings further favourably factor in PIL's track record as an established player in the rigid packaging space with a track record in paints and other industries, besides the key vendor status from Asian Paints Limited (APL), one of India's leading paints manufacturers. ICRA also notes the consistent efforts of the company to further diversify its client base, which has resulted in addition of Grasim Industries Limited as a customer in FY2025. The ratings also factor in the improvement in PIL's debt coverage metrics, supported by its healthy cash accruals.

The ratings are, however, constrained by the company's moderate scale, which is expected to improve gradually. ICRA factors in the competitive nature of the industry, coupled with the vulnerable profit margins, which can be attributed to the volatility in raw material prices. Nonetheless, PIL's ability to partly pass on the price increase to its clients mitigates the risk to some extent. Moreover, there are high sectoral and client concentration risks for PIL, as most of its revenue is generated by the paint industry. However, going forward, the client concentration risk is expected to moderate with the addition of new clients.

The Stable outlook on PIL's long-term rating reflects ICRA's opinion that the company will be able to leverage its association with SPIL and increase its operational efficiency, leading to an improvement in its return metrics.

### Key rating drivers and their description

#### Credit strengths

**Established track record in rigid packaging industry supports business** – PIL has almost four decades of experience in the rigid packaging industry, catering primarily to the paints industry. The track record of the company is further supported by the extensive experience of the promoters of the Shriji Group, who have been in the rigid packaging business for more than 30 years with different entities involved in production of corrugated boxes, polyethylene terephthalate (PET) bottles, high-density

polyethylene (HDPE) containers and poly propylene (PP) caps. The Group has demonstrated its ability to maintain quality and thus, enjoys established relationships with various reputed pharmaceutical players.

**Financial flexibility and operational synergies post acquisition by Shriji Group** – The company’s acquisition by SPIL has brought in operational synergies, which has resulted in an improvement in PIL’s gross and operating margins. The improvement in the overall efficiency at the operating level, coupled with synergies at the raw material procurement level, and strategic decision making have lent synergistic benefits to the company, which result in further increase in profitability and overall improvement in the credit risk profile of the company. ICRA expects SPIL to provide funding support to PIL, as and when required, indicating the company’s healthy financial flexibility.

**Reputed client base** – The company has a reputed client base and derives a significant portion of its revenue from APL, a leading player in its segment. While PIL is exposed to high client concentration risk, ICRA derives comfort from PIL’s established relationship with APL, proximity of its plants to APL, as well as APL’s strong market position. In addition, the company caters to other reputed clients across industries. PIL has also added Aditya Birla Group’s paints division (Grasim) in its clientele through its newly commercialised plant located in Cheyyar, Tamil Nadu, in FY2025, which has generated sizeable revenues and reduced the client concentration to some extent. The company is further seeking to onboard new clients and add new products to mitigate its client and industry concentration risks.

### Credit challenges

**Moderate scale of operations** – The company’s revenue stood at a moderate level of Rs. 262.4 crore in FY2025, which increased by 22.4% from Rs. 214.3 crore in FY2024. The revenue base is expected to strengthen, supported by the launch of additional SKUs in the paint segment and continued improvement in the nutraceutical segment. The operating profit margin (OPM) improved to 17.9% in FY2025 from 15.5% in FY2024, primarily due to synergistic benefits from SPIL and operating leverage. Additionally, the overall financial risk profile is characterised by moderate coverage indicators, as reflected in TD/OPBIDTA of 2.2 times, as of March 31, 2025. Nevertheless, the coverage indicators are expected to improve, going forward, owing to reduced debt level with no debt-funded capex plans in place and increase in cash accruals, which would be utilised towards funding the capex.

**Exposed to high sectoral concentration risk** – Almost 69% of PIL’s revenues was derived from the paints industry in FY2025, which indicates high sectoral concentration. However, ICRA derives comfort from PIL’s overall clientele, which includes major players from the paints industry, including APL and Grasim.

**Vulnerability of earnings to fluctuations in input prices** – PIL’s profit margins remain susceptible to fluctuations in the prices of raw materials. Despite the company’s established position and relationship with its clients, it is subject to competition that limits its pricing power and profitability to some extent.

### Liquidity position: Adequate

The liquidity of the company is Adequate, backed by a cushion of around Rs. 2 crore in working capital limits, as on September 30, 2025. In the past 12 months ending in September 2025, the average cushion in the limits of the company stood at Rs. 3.7 crore. The company plans to incur a capex of Rs. 15-20 crore in FY2026 towards expansion and maintenance activities across plants and the same is expected to be funded through internal accruals. The company maintains limited free cash balances and has sizeable debt repayments of Rs. 15.9 crore and Rs. 12.9 crore in FY2026 and FY2027, respectively, which are likely to be funded through its expected cash flow of Rs. 30-35 crore.

## Rating sensitivities

**Positive factors** – The ratings may be upgraded in case of a significant growth in revenue while maintaining its profitability and improving its liquidity position. Improvement in the credit profile of the parent may also trigger ratings upgrade.

**Negative factors** – Pressure on revenue, resulting in a deterioration in profitability and liquidity on a sustained basis may warrant ratings downgrade. Deterioration in the credit profile of the parent or weakening of linkages with the parent may also result in downward revision of ratings. Besides, TD/OPBDITA of more than 3.0 times on a sustained basis may trigger ratings downgrade.

## Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a>
Parent/Group support	SPIL holds a 100% stake in PIL (as of March 31, 2025) and ICRA expects SPIL to extend funding support to PIL, as and when needed
Consolidation/Standalone	Standalone

## About the company

In 1981, Parekhplast India Limited (PIL) started as a rigid packaging manufacturer of molded plastic products. In over four decades, Parekhplast has become one of the leading suppliers of rigid plastic molded articles, catering to various industries including paints, pharmaceuticals, medical devices, nutraceuticals, healthcare, food and dairy, cosmetics and chemicals and pesticides. However, the major portion of its revenue is derived from the paints industry and approximately 27% from a single client, Asian Paints, as per FY2025. The company operates through four plants spread across the country. PIL has ISO-9001, FSSC-22000, DMF-III (US FDA), CGMP approvals. The company has recently closed its Palghar plant due to poor infrastructure, resulting in weak efficiency and losses. SPIL purchased a 77% stake in PIL in December 2022, while the remaining stake was acquired in November 2023.

## Key financial indicators (audited)

PIL Standalone	FY2024	FY2025	H1 FY2026*
Operating income	214.3	262.4	147.8
PAT	11.7	18.6	14.6
OPBDITA/OI	15.5%	17.9%	19.80%
PAT/OI	5.4%	7.1%	9.90%
Total outside liabilities/Tangible net worth (times)	2.4	2.0	1.6
Total debt/OPBDITA (times)	2.4	2.2	1.6
Interest coverage (times)	3.3	3.7	5.4

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; \*Provisional

## Status of non-cooperation with previous CRA: Not applicable

## Any other information: None

## Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	December 11, 2025	FY2025		FY2024		FY2023	
				Date	Rating	Date	Rating	Date	Rating
Cash credit	Long Term	42.37	[ICRA]A- (Stable)	Dec 20, 2024	[ICRA]BBB+ (Stable)	Oct 10, 2023	[ICRA]BBB (Stable)	-	-
				Nov 19, 2024	[ICRA]BBB+ (Stable)				
Term loans	Long Term	47.68	[ICRA]A- (Stable)	Dec 20, 2024	[ICRA]BBB+ (Stable)	Oct 10, 2023	[ICRA]BBB (Stable)		
				Nov 19, 2024	[ICRA]BBB+ (Stable)			-	-
Non-fund based	Long Term/ Short Term	1.64	[ICRA]A- (Stable)/ [ICRA]A2+	Dec 20, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	Oct 10, 2023	[ICRA]BBB (Stable)/ [ICRA]A3+		
				Nov 19, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2			-	-
Unallocated Limits	Long Term/ Short Term	-	-	Dec 20, 2024	[ICRA]BBB+ (Stable)/ [ICRA]A2	-	-	-	-

## Complexity level of the rated instruments

Instrument	Complexity Indicator
Cash credit	Simple
Term loans	Simple
Non-fund based	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	Cash credit	-	NA	-	42.37	[ICRA]A- (Stable)
NA	Term loans	March 2020	NA	March 2030	47.68	[ICRA]A- (Stable)
NA	Non-fund based	-	-	-	1.64	[ICRA]A- (Stable)/ [ICRA]A2+

Source: Company

[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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