February 10, 2026

Polyplastics Decorative Pvt. Ltd.: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term-Fund-based-Cash credit	7.00	18.00	[ICRA]A (Stable); Reaffirmed
Long-term-Fund-based-Term loan	8.29	5.12	[ICRA]A (Stable); Reaffirmed
Short-term-Non-fund based-Others	18.00	18.00	[ICRA]A2+; Reaffirmed
Long-term/Short-term-Unallocated limits	34.41	8.88	[ICRA]A (Stable)/[ICRA]A2+; Reaffirmed
Total	**67.70**	**50.00**	

**Instrument details are provided in Annexure I*

Rationale

For arriving at the ratings, ICRA has taken a consolidated view of Polyplastics Industries India Pvt. Ltd. (PIPL) and its subsidiaries, Polyplastics Auto Components Private Limited (PACL) and Polyplastics Decorative Pvt. Ltd. (PDPL) (hereafter collectively referred to as the Group), given the strong operational and financial linkages among the entities.

The reaffirmation of the ratings factors in the Group’s established operational track record and the extensive experience of its promoters in the engineered plastic automotive components industry. Over the years, the Group has set up sizeable injection moulding, electroplating and paint shop capacities across its manufacturing facilities spread across the country. This has enabled the Group to develop a wide customer base, which includes reputed automotive Original Equipment Manufacturers (OEMs), such as Maruti Suzuki India Limited, Tata Motors Limited, and Honda Motorcycle and Scooter India, among others. Expansion of the product base and manufacturing capacities, long-standing relationships, and a healthy share of business with key customers have enabled the Group to report steady growth in revenue and earnings. This, coupled with moderate debt levels, has continued to result in an adequate financial risk profile for the Group. ICRA expects the Group to report a further reduction in its leverage levels over the medium term, driven by growth in earnings and no significant increase in debt levels.

The ratings are, however, constrained by the high competitive intensity of the industry and the Group’s moderate scale of operations relative to the size of the industry. Additionally, the ratings also factor in the Group’s high dependence on the passenger vehicle (PV) segment, which drives around 70% of its turnover. Accordingly, its earnings remain vulnerable to any supply or demand disruption in the end-user segment and to cyclicality in the overall automotive industry. While the Group has been able to largely maintain its operating margins by implementing cost-optimisation measures and a pass-through model, its ability to sustain healthy earnings growth remains key to driving the expected improvement in debt protection metrics over the medium term.

The Stable outlook on the rating reflects ICRA’s expectation that the Group will report steady growth in revenue and earnings, driven by the expansion of manufacturing capacities and stable demand from the automotive industry, thereby supporting its credit profile.

Key rating drivers and their description

Credit strengths

Established market position and extensive experience of promoters in the auto components/accessories industry – The Polyplastics Group has a leading market position in plastic moulded and chrome-plated automotive components, such as emblems, grills, wheel covers and others, in the domestic market. On a consolidated basis, emblems and grills accounted for around 20% each of the Group's revenues in FY2025. The company continues to maintain a dominant position in the emblem and grill product segments, with a high share of business (SOB) with leading OEMs. It also benefits from the proximity of its plants to the production facilities of various OEMs across the country. The promoters have extensive experience of more than three decades in the auto ancillary industry.

Long established relationships with reputed OEMs – The Group has established relationships and a healthy SOB with major OEMs in the PV and two-wheeler (2W) segments, such as MSIL, TML, Renault, and Honda, among others. The Group has a moderately diversified customer profile, with its top three customers accounting for around 44% of the Group's revenues in FY2025. The Group has been able to maintain a healthy SOB with its key clientele in specific product categories, such as emblems, chrome-plated grills, and interior and exterior decorative parts. Moreover, it has added some new customers, such as Volkswagen, Vinfast, M&M and TML, in the last 2-3 years. The Group has plans to substantially increase capacity in the paint category, for which demand has been increasing from OEMs. The Group witnessed revenue growth in recent years, supported by a rise in volumes as well as increased product realisations. The Group was also able to ramp up its new capacity additions at its Gujarat and Tamil Nadu plants. Going forward, earnings growth may moderate due to ongoing moderate demand in the PV segment.

Adequate financial risk profile – The Group's financial risk profile remains adequate, supported by healthy growth in scale and earnings. The Group's revenues have witnessed a CAGR of about 20% during FY2021-FY2025, while operating profitability remained steady at 10-11%, resulting in sustained accretion to cash flows. The Group reported an operating income of Rs. 1,070 crore in FY2025 (Rs. 1,000.8 crore in FY2024), which is expected to grow to almost Rs. 1,200 crore in the current fiscal. Despite dependence on external borrowings for capital expenditure, leverage levels remain adequate, as depicted by a total debt/OPBDITA of 2.0 times in FY2025. Steady growth in the Group's scale and earnings is expected to drive strengthening of its credit metrics, with total debt/OPBDITA remaining below 2.0 times over the medium term.

Credit challenges

Intensely competitive industry limits pricing flexibility – The auto ancillary industry is intensely competitive due to the presence of various organised and unorganised players. This limits the pricing power of industry participants and keeps profitability under check.

Exposure to cyclicality in the auto sector, with PV segment driving a large share of revenues - The Group derives most of its revenues from the domestic automotive market and, hence, its earnings remain susceptible to the inherent cyclicality of the sector. Around 70% of the Group's revenues come from the PV segment, followed by about 20% from the 2W segment, with the remaining revenues derived from the commercial vehicle (CV) segment and the non-automotive segment, such as sanitary ware. Hence, any adverse impact on PV demand would exert pressure on the Group's prospects.

Liquidity position: Adequate

The Group has an adequate liquidity profile, supported by steady internal accrual generation, a free cash balance of Rs. 25.8 crore, and unutilised working capital limits of Rs. 50.3 crore as of December 2025. The Group has debt repayment obligations of Rs. 25-30 crore in FY2026 and Rs. 10-15 crore in FY2027. ICRA expects the Group to meet these obligations comfortably through its cash flow generation as operations scale up. The Group also has an annual capex plan of Rs. 45-50 crore, which is expected to be funded through a mix of debt and internal cash flows.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if the Group demonstrates healthy revenue growth and expansion in earnings, without any material increase in its debt levels, thereby strengthening its debt protection metrics and liquidity position.

Negative factors – Pressure on the ratings could arise if the Group reports a significant reduction in revenues or cash accruals, or a stretch in its working capital cycle. Specific credit metric for a ratings downgrade includes total debt/OPBDITA exceeding 2.3 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Rating Methodology – Auto Components
Parent/Group support	Not Applicable.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of PIPL. List of companies are given in Annexure-II.

About the company

PIPL, the flagship company of the Polysplastics Group, was established as a partnership firm in 1968, and was converted into a private company in September 2008. This is the flagship company of the Polyplastics Group and manufactures automotive components and assemblies, including emblems (electroplated, painted, gold plated, and hot stamped), automotive plastic-moulded components, wheel trims, and wheel covers, bigger electroplated parts (radiator grills, licence plate garnishes, hood strips), decorative body-side moulding, etc. The company has five manufacturing units — one each in Yamuna Nagar (Haryana), Pune (Maharashtra), Bawal (Haryana), Sanand (Gujarat), and Dalsana (Gujarat). The company's clientele includes major automobile players such as MSIL, Honda, TML, and General Motors, among others. Headquartered in Gurgaon (Haryana), the Group is headed by promoters, Mr. Kamal Gupta and Mr. Kapil Gupta.

PDPL, earlier known as Euro American Plastics Private Limited, was acquired by the Polyplastics Group in 2013. Its plant is located at Bhiwadi, Rajasthan, where the company recently commenced processes like electroplating, moulding and painting, which only had a tool shop earlier. PDPL manufactures automotive components and assemblies, chrome plated plastic parts including emblems, automotive plastic-moulded components, wheel trims and wheel covers, door handles etc.

Incorporated in 2010, PACL manufactures injection moulded plastic auto components for the four-wheeler passenger vehicles at its plant located in Chennai, Tamil Nadu. A wholly owned subsidiary of PIPL, PACL was formed after an agreement between PIPL and one of its major customers, Nissan India, to cater to the latter's requirements of plastic auto components in line with the increase in the sales volumes of its cars in the country. The operations are similar to the other Group companies. The Chennai plant is spread over 10,000 sq. mt. and has TS 16949 and ASES-C certifications. The plant has capacities for injection moulding and paint shop (for wheel covers and caps). PACL is a part of the larger Polyplastics Group, one of the leading suppliers of plastic-based decorative for PV and 2W OEMs.

Key financial indicators (audited)

PIPL – Consolidated	FY2024	FY2025
Operating income	1000.8	1070.0
PAT	52.9	51.7
OPBDIT/OI	12.4%	11.0%
PAT/OI	5.3%	4.8%
Total outside liabilities/Tangible net worth (times)	1.6	1.6
Total debt/OPBDIT (times)	1.9	2.0
Interest coverage (times)	6.0	6.1

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

	Current rating (FY2026)			Chronology of rating history for the past 3 years					
		FY2026		FY2025		FY2024		FY2023	
Instrument	**Type**	**Amount rated (Rs crore)**	**Feb 10, 2026**	**Date**	**Rating**	**Date**	**Rating**	**Date**	**Rating**
Fund-based-Cash credit	Long Term	18.00	[ICRA]A (Stable)	Dec 27, 2024	[ICRA]A (Stable)	Sep 28, 2023	[ICRA]A- (Stable)	Jun 30, 2022	[ICRA]A- (Stable)
				-	-	-	-	Dec 21, 2022	[ICRA]A- (Stable)
Unallocated limits	Long Term/Short Term	8.88	[ICRA]A (Stable)/ [ICRA]A2+	Dec 27, 2024	[ICRA]A (Stable)/ [ICRA]A2+	Sep 28, 2023	[ICRA]A- (Stable)/ [ICRA]A2+	Jun 30, 2022	[ICRA]A- (Stable)/ [ICRA]A2+
				-	-	-	-	Dec 21, 2022	[ICRA]A- (Stable)/ [ICRA]A2+
Fund-based-Term loan	Long Term	5.12	[ICRA]A (Stable)	Dec 27, 2024	[ICRA]A (Stable)	Sep 28, 2023	[ICRA]A- (Stable)	Jun 30, 2022	[ICRA]A- (Stable)
				-	-	-	-	Dec 21, 2022	[ICRA]A- (Stable)
Non-fund based-Others	Short Term	18.00	[ICRA]A2+	Dec 27, 2024	[ICRA]A2+	Sep 28, 2023	[ICRA]A2+	Jun 30, 2022	[ICRA]A2+
				-	-	-	-	Dec 21, 2022	[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term-Fund-based-Cash credit	Simple
Long-term-Fund-based-Term loan	Simple
Short-term-Non-fund based-Others	Simple
Long-term/Short-term-Unallocated limits	Not Applicable

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	9.4%	NA	18.00	[ICRA]A (Stable)
NA	**Term loans**	Apr-2022	9.4 -10.4%	Mar-2028	5.12	[ICRA]A (Stable)
NA	**Non-fund based limits**	NA	NA	NA	18.00	[ICRA]A2+
NA	**Unallocated limits**	NA	NA	NA	8.88	[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

Company Name	Ownership	Consolidation Approach
Polyplastics Industries India Pvt. Ltd.	NA*	Full Consolidation
Subsidiaries		
Polyplastics Auto Components Private Limited	99.71%	Full Consolidation
Polyplastics Decorative Private Limited	99.79%	Full Consolidation
K2 Cadem Technologies Private Limited	50.00%	Full Consolidation
Polyplastics Mechatronics Private Limited	50.06%	Full Consolidation
Decorax Industries Private Limited	70.00%	Full Consolidation
Associates		
Polyplastics Uttar Bharat Private Limited	80.87%	Equity Method
Sakae Riken Polyplastics India Private Limited	24.00%	Equity Method

*Source: Company; * Parent Company*

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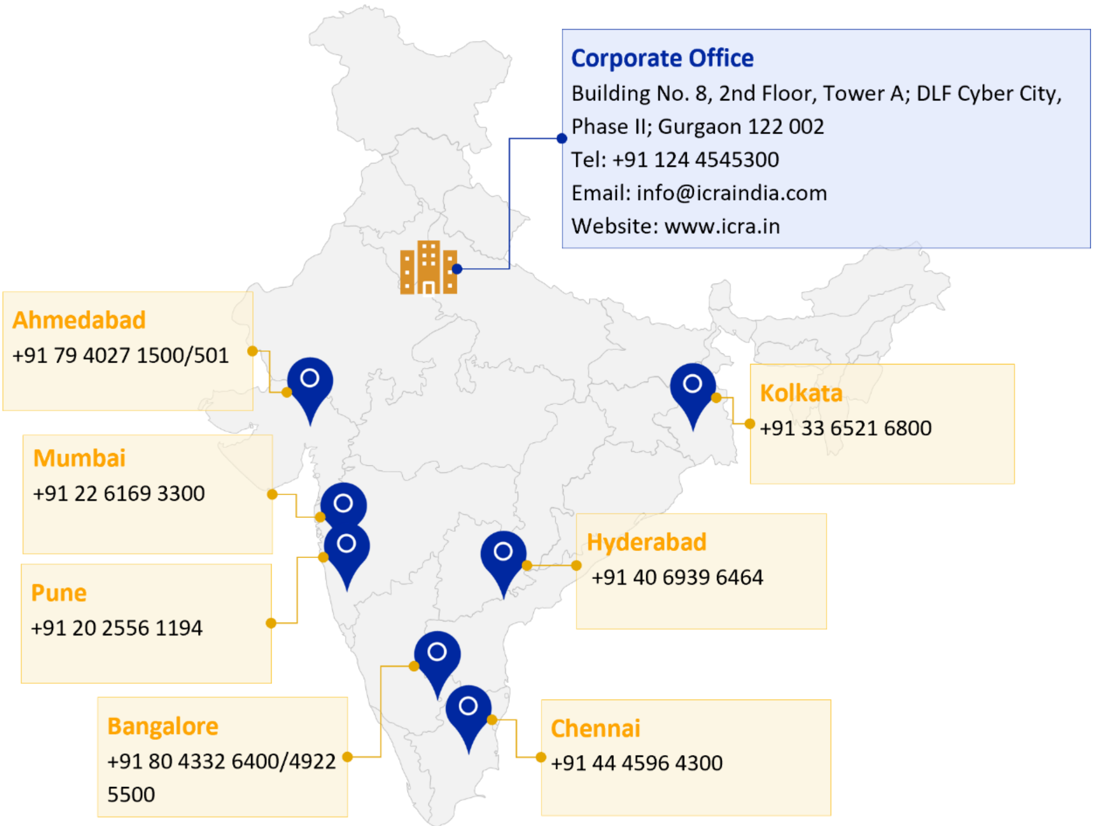

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