

Press Release
ASIA BULK SACKS PRIVATE LIMITED
November 06, 2025
Rating Assigned



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	68.73	ACUITE BB Stable Assigned	-
Bank Loan Ratings	10.50	-	ACUITE A4+ Assigned
Total Outstanding Quantum (Rs. Cr)	79.23	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has assigned its long-term rating of '**ACUITÉ BB**' (read as **ACUITE Double B**) and short-term rating of '**ACUITÉ A4+**' (read as **ACUITE A four plus**) on the Rs. 79.23 Cr. bank facilities of Asia Bulk Sacks Private Limited (ABSPL). The outlook is '**Stable**'.

Rationale for rating

The assigned rating considers the company's experienced management and long operational track record. The rating also factors in the modest scale of operations with stable profitability and adequate liquidity position. However, the rating is constrained by the moderate financial risk profile with debt funded capex plan, working capital-intensive nature of operations, susceptibility of profitability to volatility in raw material prices, foreign exchange fluctuation risk and tariff-related risks.

About the Company

Asia Bulk Sacks Private Limited (ABSPL) was incorporated in 1984 as 'Asia Woven Sacks Private Limited'. Subsequently, the company was taken over by Mr. Ajit Chaudhari and Mr. Chatrasinh Chaudhari, on December 29, 2001. Consequently, on November 6, 2012, the company's name was changed to its current name. The company expanded and diversified into manufacturing FIBC (Flexible Intermediate Bulk Containers) in addition to its existing product line of woven sacks. In 2019, the company was acquired by the Gandhi family. Currently, Mrs. Geeta Nilesh Gandhi and Mr. Aditya Nilesh Gandhi serve as directors and Mr. Nilesh Gandhi is the CEO of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of ABSPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and established track record of operations

ABSPL has an established track record of more than two decades in this line of business with an experienced management. The company is managed by Gandhi family since 2019. The

experience of the promoters has helped the company to maintain a healthy relationship with its customers and suppliers. Acuité believes that the company will benefit from the long track record of operations along with a healthy relationship with its customer and suppliers.

Modest scale of operations with stable profitability

The company has maintained a modest operating scale over the past three years, reporting a revenue of Rs.120.33 Cr. in FY2025, Rs.98.21 Cr. in FY2024, and 107.91 Cr. in FY2023. In H1FY2025, ABSPL has recorded a revenue of ~ Rs. 73.89 Cr. and projects to close the financial year with revenue in the range of Rs. 160–170 Cr. Exports account for approximately 85–90 per cent of ABSPL's total revenue, with key markets including the United States, Europe, the Middle East, and several Asian countries. The EBITDA margins improved to 7.92 per cent in FY2025 from 6.04 per cent in FY2024. The PAT margin also rose to 1.23 per cent in FY2025 from 0.60 per cent in the previous year.

Weaknesses

Moderate financial risk profile

The financial risk profile of the company is moderate, marked by moderate net worth, gearing and debt protection metrics. The net worth of the company stood at Rs. 36.67 Cr. as of March 31, 2025, compared to Rs. 35.19 Cr. as of March 31, 2024, the improvement in net worth is mainly due to the retention of profits. Further, the gearing of the company stood at 1.16 times as of March 31, 2025, compared to 0.99 times as of March 31, 2024. The debt protection metrics are moderate, with the Interest Coverage Ratio (ICR) at 2.29 times in FY2025, compared to 2.03 times in FY2024. The Debt Service Coverage Ratio (DSCR) stood at 1.42 times in FY2025 as against 1.02 times in the previous year. The Debt-to-EBITDA ratio remained high at 4.43 times as of March 31, 2025, compared to 4.53 times as of March 31, 2024. In FY2025, the company completed a capital expenditure of ~ Rs.12.00 Cr. for the installation of a 3 MW solar power generation facility. In FY2026, it is undertaking an additional capex of ~ Rs. 22.35 Cr. aimed at expanding production capacity and resolving operational bottlenecks. The funding structure includes Rs. 7 Cr. term loan for land acquisition and a Rs. 15.00 Cr. loan for plant and machinery, of which 5 Cr. has been disbursed to date, the rest would be funded through own funds. Acuite believes that, notwithstanding the benefits of the capex, the additional debt is likely to moderate the financial risk profile further.

Working capital intensive nature of operations

The working capital operations of the company are intensive, as reflected in Gross Current Assets (GCA) of 175 days in FY2025, compared to 208 days in FY2024. The debtor collection period improved to 29 days in FY25, compared to 37 days in FY24. The company generally provides a credit period of 30–60 days, depending on the customer. Inventory days also improved to 120 days in FY25, compared to 147 days in FY24. Creditor days stood at 49 days in FY25 compared to 38 days in FY24, with the company typically enjoying a credit period of 30–60 days. Additionally, the average utilization of fund-based working capital limits remained high at approximately 96.28% over the five-month period ending August 2025. Acuite believes that ABSPL's working capital operations are likely to remain intensive over the medium term, given the nature of its business.

Susceptibility of profitability to volatility in raw material prices

The company's primary raw material is polypropylene granules, which are closely linked to crude oil prices. Given the inherent volatility in crude oil markets, fluctuations in raw material costs can directly affect the company's profitability margins. Additionally, the company operates in a competitive and fragmented industry with low entry barriers, resulting in pressure from both organised and unorganised players offering similar products and services. Hence, the bargaining power of the company remains low due to the competitive nature of the industry.

Foreign exchange fluctuation and Tariff related risk

The company imports over 60 per cent of its key raw material, polypropylene granules, from international suppliers, exposing it to foreign exchange rate fluctuations that can impact both revenue and margins. Additionally, the company exports approximately 35–40 per cent of its products to the United States and other countries providing natural hedging which is mitigating the risk to an extent. The business remains vulnerable to changes in tariff structures

in the international market. The imposition of higher tariffs by the U.S. on Indian goods poses a risk to the company's competitiveness and profitability in that market in medium to long term.

Rating Sensitivities

Ability to continuously improve its scale of operations and profitability.

Changes in financial risk profile owing to higher than envisaged debt funded capex.

Deterioration in Working capital cycle.

Liquidity Position

Adequate

The company's liquidity position is adequate, marked by generation of sufficient net cash accruals of Rs. 4.68 Cr. in FY2025 as against its maturing debt obligations of Rs. 2.07 Cr. during the same tenure. In addition, it is expected to generate sufficient cash accruals in the range of Rs. 5.98 – 7.55 Cr. as against its maturing repayment obligations of around Rs. 0.60 – 2.02 Cr. over the medium term. The current ratio stood at 1.32 times as of 31st March 2025 as against 1.41 times as of 31st March 2024. Further, reliance on fund-based working capital limits remained high, with average utilization at ~96 per cent over the five-month period ending August 2025. The cash and bank balance for FY25 stood at Rs. 0.37 Cr. Acuité believes that the liquidity position of the company will remain adequate, supported by steady cash accruals.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	120.33	98.21
PAT	Rs. Cr.	1.48	0.59
PAT Margin	(%)	1.23	0.60
Total Debt/Tangible Net Worth	Times	1.16	0.99
PBDIT/Interest	Times	2.29	2.03

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
15 Apr 2024	Letter of Credit	Short Term	6.50	ACUITE A4+ (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Term Loan	Long Term	2.93	ACUITE BB (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Term Loan	Long Term	3.52	ACUITE BB (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Term Loan	Long Term	3.19	ACUITE BB (Reaffirmed & Withdrawn & Issuer not co-operating*)
	PC/PCFC	Long Term	30.00	ACUITE BB (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Term Loan	Long Term	1.52	ACUITE BB (Reaffirmed & Withdrawn & Issuer not co-operating*)
	Proposed Long Term Bank Facility	Long Term	4.34	ACUITE Not Applicable (Withdrawn)
28 Mar 2023	Letter of Credit	Short Term	6.50	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	2.93	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	3.52	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	3.19	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	PC/PCFC	Long Term	30.00	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Proposed Long Term Bank Facility	Long Term	4.34	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
	Term Loan	Long Term	1.52	ACUITE BB Stable (Downgraded from ACUITE BB+ Stable)
30 Mar 2022	Letter of Credit	Short Term	6.50	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	8.75	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	1.69	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.42	ACUITE BB+ Stable (Assigned)
	PC/PCFC	Long Term	20.00	ACUITE BB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	5.59	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	4.05	ACUITE BB+ Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	36.50	Simple	ACUITE BB Stable Assigned
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 Nov 2026	1.73	Simple	ACUITE BB Stable Assigned
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	9.00	Simple	ACUITE A4+ Assigned
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.50	Simple	ACUITE A4+ Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.35	Simple	ACUITE BB Stable Assigned
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	30 Apr 2032	8.15	Simple	ACUITE BB Stable Assigned
KOTAK MAHINDRA BANK LIMITED	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	23 Jun 2040	7.00	Simple	ACUITE BB Stable Assigned
SMALL INDUSTRIES DEVELOPMENT BANK OF INDIA	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	10 Aug 2032	15.00	Simple	ACUITE BB Stable Assigned

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About Acuité Ratings & Research

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