Press Release

DOT PROPACK INDUSTRIES PRIVATE LIMITED
July 18, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	23.00	ACUITE BB | Stable | Reaffirmed	-
Bank Loan Ratings	1.00	-	ACUITE A4+ | Reaffirmed
Total Outstanding Quantum (Rs. Cr)	24.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of **'ACUITÉ BB' (read as ACUITE Double B**a)nd short-term rating of **'ACUITÉ A4+' (read as ACUITE A Four plus)**on the Rs. 24.00 Cr. bank facilities of Dot Propack Industries Private Limited (DPIPL). The outlook is **'Stable'**.

Rationale for Rating Reaffirmation
The rating reaffirmation considers modest scale of operations with subdued profitability margins. The rating also factors in the established track record of operations couple with experienced management and adequate liquidity position. However, the rating is constrained due to moderately intensive working capital operations and susceptibility of profitability to volatility in raw material prices and demand in end-user industry.

About the Company

Dot Propack Industries Private Limited (DPIPL) was incorporated in 2016. The company is situated in MIDC in Aurangabad, Maharashtra, near the Mumbai Jawaharlal Nehru Port Trust, DPIPL operates from a 17,000 SFT manufacturing facility adhering to international standards. The Directors of the company are Mr. Naresh Gangabishan Sikchi, Mr. Anil Ramgopal Mali, Mr. Ajinkya Naresh Sikchi and Mr. Anil Shivlal Kumawat. The company is engaged in the business of manufacturing of Cast PE Polyfilms for packaging purposes. It specializes in Plastic Packaging and Speciality films. Its primary clients consist of hygiene product manufacturers and the flexible packaging sector. Major clients of the company include AJB Private limited, Tataria Hygiene and Swara Baby products Pvt Ltd among few.

Unsupported Rating
Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Dot Propack Industries Private Limited (DPIPL) to arrive at the rating.

Key Rating Drivers

Strengths

Experienced management and established track record of operations

DPIPL is managed by Mr. Naresh Gangabishan Sikchi along with Mr. Anil Ramgopal Mali and a team of experienced personnel. The directors possess nearly a decade of experience in the manufacturing business. The long-standing experience of the promoter and long track record of operations has helped the company to establish comfortable relationships with key suppliers and customers. Acuite believes that the company will continue to benefit from its established presence and track record along with a healthy relationship with customers.

Moderate Financial Risk Profile
The financial risk profile of the company stood moderate, marked by low net worth, low gearing and comfortable debt protection metrics. The tangible net worth improved and stood at Rs.16.58 Cr. as on 31 March 2025 (Prov.) as against Rs.14.57 Cr. as on 31 March, 2024 on account of retention of profits. The company's total debt of Rs. 16.15 Cr, comprising Rs. 11.91 Cr. of long-term debt, Rs. 3.64 Cr. of short-term debt, Rs. 0.31 Cr. of USL from directors/promoters and 0.28 Cr. of CPLTD as of March 31, 2025 (Prov.) The gearing (debt-equity) stood at 0.97 times as on 31 March 2025 (Prov.) as against 0.88 times as on 31 March, 2024. Interest Coverage Ratio (ICR) stood at 5.54 times for FY2025 (Prov.) as against 28.02 times for FY2024. Debt Service Coverage Ratio (DSCR) stood at 5.54 times in FY2025 (Prov.) as against 23.03 times in FY2024. Total outside Liabilities/Total Net Worth (TOL/TNW) stood at 1.42 times as on 31 March, 2025 (Prov.) as against 1.17 times as on 31 March, 2024. Net Cash Accruals to Total Debt (NCA/TD) stood at 0.39 times for FY2025 (Prov.) as against 0.40 times for FY2024. Acuite believes that the financial risk profile of the company would remain moderate over the medium term on account of low net worth base.

Weaknesses

Modest scale of operations with subdued profitability
The company has recorded an operating income of Rs.58.98 Cr. in FY2025 (Prov.) as against Rs.45.35 Cr. in FY2024 and Rs.53.92 Cr. in FY2023. The decline in revenues in FY2024 was primarily due to machinery being idle for a period ~2-3 months. DPIPL exported ~ 5-10 per cent in the year 2023 which they have subsequently discontinued due to lower profitability margins from those orders. Further, the company has no plans of export sales in near future. The company's profitability has remained within a range-bound with the operating margin stood at 12.92 per cent for FY25 (prov.) as compared to 14.18 per cent in FY24 and 13.76 per cent in FY23. The decline in margins is due to increase in expenses like raw material cost, power cost and administrative expenses. The Profit After Tax (PAT) margin recorded a decline, standing at 3.40 per cent in FY25 as against 6.94 per cent in FY24 and 8.99 per cent in FY23. Acuite believes, that the operating performance would remain moderate over the medium term on account of steady business risk profile.

Moderately intensive working capital management
The working capital operations of the company remained moderately intensive marked by increasing gross current assets (GCA) of 122 days in FY2025 (Prov.) as against 102 days in FY2024 and 84 days in FY2023. The debtor's collection period stood at 80 days in FY2025 (Prov.) as against 48 days in FY2024 and 65 days in FY2023. The inventory days for the company stood at 35 days in FY2025 (Prov.) as against 23 days in FY2024 and 17 days in FY2023. Also, the creditors days stood at 53 days in FY2025 (Prov.) as against 31 days in FY2024 and 49 days in FY2023. Furthermore, the average utilization of working capital for fund-based limits remained moderate, averaging around 62 per cent over the last 6 months ending Jun 2025. Acuite believes, that the operations of the company would remain moderately working capital intensive in near to medium term on account of high debtor collection period.

Susceptibility of profitability to volatility in raw material prices and demand in end-user industry
DPIPLs profitability remained susceptible to volatility in raw material prices, major raw materials such as HDPE, LDPE, LLDPE are derivatives of crude oil, hence their prices witness fluctuations, thus any variations in raw material prices can impact profitability. Further, the company supplies PE films to hygiene/ baby product manufactures where there is stiff competition, thus the scale and fortunes of DPIPL are highly dependent on the performance in the end user industry.

Rating Sensitivities

- Improvement in scale of operation while improving the profitability margin.
- Any elongation in its working capital cycle
- Deterioration in financial risk profile

Liquidity Position
Adequate

The company's liquidity position is adequate marked by sufficient net cash accruals of Rs.6.27 Cr. in FY2025 (Prov.) as against no maturity debt obligations in the same period. In addition, it is expected to generate a sufficient cash accrual in the range of Rs. 7-8 Cr. as against the maturing repayment obligations of around Rs. 0.28 - 1.70 Cr. over the medium term. The current ratio stands at 1.97 times as on March 31, 2025 (Prov.) as against 2.17 times as on March 31, 2024. the average utilization of working capital for fund-based limits remained moderate, averaging around 62 per cent over the last 6 months ending Jun 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	58.98	45.35
PAT	Rs. Cr.	2.01	3.15
PAT Margin	(%)	3.40	6.94
Total Debt/Tangible Net Worth	Times	0.97	0.88
PBDIT/Interest	Times	5.54	28.02

Status of non-cooperation with previous CRA (if applicable)
Not Applicable

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, Acuité 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
19 Apr 2024	Bank Guarantee (BLR)	Short Term	1.00	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	8.00	ACUITE BB | Stable (Assigned)
	Term Loan	Long Term	14.92	ACUITE BB | Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.08	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
Saraswat Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE A4+ | Reaffirmed
Saraswat Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BB | Stable | Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.08	Simple	ACUITE BB | Stable | Reaffirmed
Saraswat Bank	Not avl. / Not appl.	Term Loan	30 Oct 2023	Not avl. / Not appl.	10 Nov 2031	14.92	Simple	ACUITE BB | Stable | Reaffirmed

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