



Press Release
AMIGO INDUSTRIES
October 27, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	26.78	ACUITE BB+ Stable Reaffirmed	-
Total Outstanding Quantum (Rs. Cr)	26.78	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs. 26.78 crore bank facilities of Amigo Industries (AI). The outlook is '**Stable**'.

Rationale for reaffirmation

The rating reaffirmation considers the improvement in scale of operations of the firm and moderate financial risk profile. The rating also considers, the established track record of operations with experienced management and adequate liquidity position. However, the rating remained constrained by declining profitability margins, moderately intensive working capital operations, inherent risk of capital withdrawal associated with partnership firms and exposure to a highly competitive & fragmented industry.

About the Company

Established in 2010, Gujarat based Amigo Industries (AI) is engaged in manufacturing of corrugated boxes & sheets and POY tubes. The firm also manufactures paper tubes for polyester yarn industry. Its manufacturing facilities are in Morai and Vapi. The business is owned and managed by Mr. Kanhaiyalal Agarwal and Mr. Mrs. Sunita Agarwal. Mr. Garvit Agarwal is the Chief Executive Officer of Box Division and Mr. Yash Agarwal is the Chief Executive Officer of POY Tube Division.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone view of business and financial risk profile of Amigo Industries (AI) to arrive at this rating.

Key Rating Drivers

Strengths

Established track record of operations along with experienced management

Amigo Industries(AI) is owned and managed by Mr. Kanhaiyalal Agarwal along with Mr. Garvit Agarwal and Mr. Yash Agarwal. Mr. Kanhaiyalal Agarwal has experience of more than three decade in the corrugation industry. The extensive experience of the partners has aided the firm in forging long standing relationship is its customers and suppliers. Majority of the top ten customers have been associated with the firm for more than a decade. Acuite believes the firm will continue to benefit from the experience of its partners and maintain its

longstanding association with its customers and suppliers.

Increase in scale of operations albeit decline in profitability

The Firm's revenue increased to Rs. 140.08 crore in FY25 (Prov.) from Rs. 128.88 crore in FY24, reflecting healthy top-line growth. However, the EBITDA margin declined to 7.99 percent in FY25 (Prov.) compared to 9.08 percent in FY24 due to higher raw material costs and increased operating expenses. It is expected to remain in a similar range over the near to medium term. The PAT margin declined sharply to 1.30 percent in FY25 (Prov.) from 5.34 percent in FY24 primarily driven by the write-off of debtors during the year which was ~Rs.2.07 crore (Unit II). Further the firm has booked revenue of Rs. 88.76 cr. in H1FY2026. Acuite believes, the operating performance would expect to remain subdued in the medium term on account of volatility in raw material prices and industry challenges.

Weaknesses

Moderate Financial risk profile

The firm has a moderate financial risk profile marked by tangible net worth of Rs. 19.11 crore as on 31 March 2025 (Prov.) as against Rs. 18.95 crore as on 31 March 2024. The increase in the net worth is due retention of profits to an extent. The gearing level of the firm stood at 1.27 times as on 31 March 2025 (Prov.) as against 1.03 times as on 31 March 2024 due driven by increase in borrowings. The coverage ratios of the firm stood moderate with Interest Coverage Ratio (ICR) of 2.25 times for FY25 (Prov.) as against 5.83 times for FY24. The Debt Service Coverage Ratio (DSCR) stood at 1.03 times for FY25 (Prov.) as against 3.09 times for FY24. This decline was primarily due to lower operating profitability and the impact of bad debt write-off during the year. The total outside liabilities to tangible net worth (TOL/TNW) of the firm stood at 1.81 times for FY25 (Prov.) as against 1.56 times for FY24. The NCA/TD stood at 0.21 times for March 31, 2025 (Prov.). Acuite expects financial risk profile of the firm to remain moderate in near to medium term due to modest net worth base.

Moderately intensive working capital operations

The Firm is having efficient working capital management as evident from Gross Current Asset (GCA) of 87 days in FY2025 (Prov.) as against 91 days in FY2024. The inventory days are stable and stood at 21 days for FY25 (Prov.) when compared against 16 days for FY24. The debtor days stood at 57 days for FY25 (Prov.) compared against 61 days for FY24. Even though debt days stood comfortable, there have bad debt write offs of Rs. 2.07 Cr. in FY2025(Prov.). The creditor days of the firm stood same at 31 days for FY25 (Prov.) and FY24. The average utilization of the bank limits of the firm remains moderate at ~68.93 percent in last six months ended September 2025. Acuite believes that the working capital cycle will continue to appear intensive over the medium term due to nature of business.

Susceptibility of profitability to fluctuations in raw material prices, forex risk in a competitive and fragmented industry

The Company is operating in a highly competitive and fragmented industry. It is exposed to intense competition from several players operating in the industry. The kraft paper manufacturers in India are exposed to the risk of volatility in waste paper prices, largely due to intense competition. On account of competitive pressures, players face challenges in passing on increased costs to end users. Business risk profile will remain constrained by exposure to the downturn in the paper industry. The rise in the prices of duplex paper over that of waste paper is expected to be gradual, rendering the profitability susceptible to volatility in the price of paper. Furthermore, any abrupt change in raw material prices due to supply-demand scenario can lead to distortion of prices and affect the profitability of the company.

Capital withdrawal Risk associated with Partnership Firm

The firm is susceptible to the inherent risk of capital withdrawal given its constitution as a partnership. Any significant withdrawal from the partner's capital will have a negative bearing on the financial risk profile of the firm.

Rating Sensitivities

- Sustain improvement in revenues and profitability
- Changes in financial risk profile and liquidity position due to increased reliance on working

capital limits.

- Deterioration in working capital cycle on the back of elongation in collections, leading to stretch in the liquidity

Liquidity Position

Adequate

The firm has an adequate liquidity position marked by adequate net cash accruals against its maturing debt obligations. The firm is estimated to generate net cash accruals in the range of Rs. 5.00 - Rs.7.00 crore in FY2026-FY2027 against repayment obligations of around Rs. 2.00 Cr. for the same period. The firm maintains unencumbered cash and bank balances of Rs. 0.02 crore as on March 31, 2025 (Prov.). The current ratio stood at 1.24 times as on March 31, 2025 (Prov.). The average utilization of the bank limits of the firm remains moderate at ~68.93 percent in last six months ended September 2025. Acuite believes that the firm is likely to maintain adequate liquidity position on account of steady accruals.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	140.08	128.88
PAT	Rs. Cr.	1.83	6.88
PAT Margin	(%)	1.30	5.34
Total Debt/Tangible Net Worth	Times	1.27	1.03
PBDIT/Interest	Times	2.25	5.83

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
29 Jul 2024	Cash Credit	Long Term	8.00	ACUITE BB+ Stable (Assigned)
	Cash Credit	Long Term	5.00	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	1.54	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	1.75	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	1.79	ACUITE BB+ Stable (Assigned)
	Covid Emergency Line.	Long Term	5.53	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.90	ACUITE BB+ Stable (Assigned)
	Term Loan	Long Term	0.87	ACUITE BB+ Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.40	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
SVC Co-Op Bank Limited	Not avl. / Not appl.	Cash Credit	29 Dec 2021	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BB+ Stable Reaffirmed
SVC Co-Op Bank Limited	Not avl. / Not appl.	Cash Credit	29 Dec 2021	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BB+ Stable Reaffirmed
SVC Co-Op Bank Limited	Not avl. / Not appl.	Covid Emergency Line.	31 Mar 2022	Not avl. / Not appl.	31 Mar 2027	2.69	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.	9.33	Simple	ACUITE BB+ Stable Reaffirmed
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	31 Oct 2023	Not avl. / Not appl.	10 Oct 2028	0.65	Simple	ACUITE BB+ Stable Reaffirmed
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	18 Mar 2024	Not avl. / Not appl.	28 Feb 2029	0.66	Simple	ACUITE BB+ Stable Reaffirmed
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	04 Jul 2017	Not avl. / Not appl.	30 Nov 2026	0.35	Simple	ACUITE BB+ Stable Reaffirmed
SVC Co-Op Bank Limited	Not avl. / Not appl.	Term Loan	31 Mar 2021	Not avl. / Not appl.	28 Feb 2026	0.10	Simple	ACUITE BB+ Stable Reaffirmed

Contacts

Mohit Jain Chief Analytical Officer-Rating Operations	Contact details exclusively for investors and lenders
Ritika Lalwani Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.