



Press Release
MAHALAXMI POLYPACK PRIVATE LIMITED
October 30, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	15.00	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	67.00	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	8.00	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	90.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

ACUITE has reaffirmed its long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and short term rating of '**ACUITE A3**' (read as **ACUITE A three**) on the Rs.75.00 Crore bank facilities of Mahalaxmi Polypack Private Limited (MPPL). The outlook is '**Stable**'.

ACUITE has assigned its long term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs.15.00 Crore bank facilities of Mahalaxmi Polypack Private Limited (MPPL). The outlook is '**Stable**'.

Rationale for Rating

The rating factors in the experience management and established track record of operations since last three decades in the same industry. Further, the company has shown improvement in the scale of operations which stood at Rs. 455.07 Cr. in FY25 against Rs. 382.03 Cr. in FY24. In addition, the financial risk profile of the company is moderate marked by gearing of the company which stood at 1.12 times as on 31st March 2025 albeit below average which DSCR stood at 1.07 times as on 31st March 2025. The Company has a lean working capital cycle marked by GCA days which stood at 94 days in FY25. The above mentioned strengths are partly off-set by the volatility in raw material prices which will remain a key sensitive factor in near to medium term.

About the Company

Incorporated in 2005, Mahalaxmi Polypack Private Limited is engaged in manufacturing of PP/HDPE woven sack fabric/bags and FMB/Polymer Compound/ Colour master Batch/Yarn. The registered office in New Delhi. The directors include Mr. Deenanath Khandelwal, Mr. Kuldeep Khandelwal and Mr. Abhishek Khandelwal.

Unsupported Rating

Not applicable

Analytical Approach

Acuite has considered the standalone financial and business risk profiles of Mahalaxmi

Polypack Private Limited to arrive at the rating.

Key Rating Drivers

Strengths

Experience management and established track record of operations

The company started its operations in the year 2007 and has a long track record of operations. Over the years, it has been able to successfully establish itself as a leading woven bag and fabric manufacturer with the help of experienced management. Further, the company benefits from the long-term experience of the promoters in this industry including key promoters who are Mr. Deenanath Khandelwal and Mr. Kuldeep Khandelwal and have more than three decades of experience in this field and oversee the overall operations of the company. Acuite believes that the long track record of business has enabled in developing established customer and supplier network.

Improvement in scale of operations

The company has witnessed the growth in the revenue from operations by ~19.12% which stood at Rs. 455.07 Cr. in FY25 against Rs. 382.03 Cr. in FY24. The improvement in revenue is due to increase in the volume sales. Operating margin of the company stood at 3.18% in FY25 against 2.89% in FY24. There is a slight improvement in the operating margin of the company which is due to the decrease in the raw material cost. The Net margin stood at 0.98% in FY25 against 0.37% in FY24. Company has achieved the revenue of Rs. 184.96 Cr. in 5MFY26. Acuite believes the company is expected to showcase an increase in the scale of operations along with improvement in margins in near to medium term.

Moderate Financial Risk Profile

The company has moderate financial risk profile marked by Total Tangible net worth stood at Rs. 66.58 Cr. as on 31st March 2025 against Rs. 62.09 Cr. as on 31st March 2024, increase in net worth is on account of profit accretion. Debt to Equity ratio stood at 1.12 times in FY25 against 1.01 times in FY24. Interest coverage ratio stood at 2.52 times for FY25 as against 2.09 times in FY24. Debt Service coverage ratio stood at 1.07 times for FY25 as against 0.85 times in FY24. The Total outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.31 times as on March 31, 2025 as against 1.43 times as on March 31, 2024. The company is currently undertaking capex of Rs. ~6 Cr. in 2.5 MW solar power plant within its premises in FY26, which will be funded through a mix of external debt and internal accruals. Acuite believes that financial risk profile of the company is expected to improve in near to medium term despite the presence of debt-funded capex.

Efficient working capital operations

The working capital operations of the company is moderately efficient marked by GCA days of 94 days in FY25 against 111 days in FY24. There is an improvement in the GCA days due to the debtor days of the company which stood at 38 day in FY25 against 57 days in FY24 whereas inventory days of the company stood at 45 days in FY25 against 38 days in FY24 however creditor days stood at 7 days in FY25 against 27 days in FY24. Going forward, the working capital operations of the company is expected to remain at similar level over the medium term.

Weaknesses

Exposed to Volatility in the raw material prices fluctuations and foreign exchange fluctuations

The company faces several weaknesses in the manufacturing of PP/HDPE woven sack fabric, bags, FMB, polymer compounds, colour masterbatch, and yarn, including a heavy dependency on fluctuating raw material prices, intense competition that pressures profit margins, and the need for constant technological upgrades to stay relevant. Additionally, stricter environmental regulations could increase operational costs, while supply chain vulnerabilities and labour shortages may disrupt production. Further, it is exposed to adverse fluctuations in foreign currency exchange rates. However, MPPL generally enters into forward contracts, which partially mitigate the forex risk.

Rating Sensitivities

- Movement in the scale of operations and profitability
- Movement in Working capital operations

Liquidity Position**Adequate**

The liquidity profile of the company is adequate. The net cash accruals of company stood at Rs. 7.49 Cr. in FY25 against the debt obligation of Rs. 6.57 Cr. for the same period. Current ratio stood at 1.44 times for FY25 against 1.42 times in FY24. The company has cash & bank position of Rs. 0.18 Cr. The average fund based bank limit utilization is at 93.63% and non-fund based bank limit utilization is at 71.11% for the 12 months' period ending August 2025. Acuité believes that the liquidity position of the company will remain adequate on account of steady net cash accruals against matured debt obligations albeit debt funded capex plans over the medium term.

Outlook: Stable**Other Factors affecting Rating**

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	455.07	382.03
PAT	Rs. Cr.	4.48	1.40
PAT Margin	(%)	0.98	0.37
Total Debt/Tangible Net Worth	Times	1.12	1.01
PBDIT/Interest	Times	2.52	2.09

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, 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 Oct 2024	Bills Discounting	Short Term	2.00	ACUITE A3 (Assigned)
	Bank Guarantee/Letter of Guarantee	Short Term	8.00	ACUITE A3 (Assigned)
	Cash Credit	Long Term	50.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	1.39	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.51	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	9.73	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.37	ACUITE BBB- 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.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE A3 Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	50.00	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	15.00	Simple	ACUITE BBB- 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.	1.00	Simple	ACUITE A3 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	4.89	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	28 Feb 2026	Not avl. / Not appl.	31 Aug 2035	5.10	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	30 Apr 2019	Not avl. / Not appl.	31 Mar 2026	0.28	Simple	ACUITE BBB- Stable Reaffirmed
State Bank of India	Not avl. / Not appl.	Term Loan	29 Feb 2024	Not avl. / Not appl.	31 Jan 2028	6.73	Simple	ACUITE BBB- Stable Reaffirmed

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About Acuité Ratings & Research

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