



Press Release

Axel Polymers Limited

October 16th, 2025

Ratings

Instrument Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator or
Long Term Fund Based Bank Facilities-	26.77 (Reduced from 27.72)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	Rating Reaffirmed	Simple
Short Term Fund Based Bank Facilities	5.00	IVR A4 (IVR A four)	IVR A4 (IVR A four)	Rating Reaffirmed	Simple
Short Term Non-Fund Based Bank Facilities	7.50	IVR A4 (IVR A four)	IVR A4 (IVR A four)	Rating Reaffirmed	Simple
Proposed Long Term/Short Term Bank Facilities	0.03	IVR BB-/Stable; IVR A4 (IVR Double B Minus with Stable Outlook ; IVR A four)	IVR BB-/Stable; IVR A4 (IVR Double B Minus with Stable Outlook ; IVR A four)	Rating Reaffirmed	Simple
Total	39.30 (Rupees Thirty-Nine Crore and Thirty Lakhs only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities of Axel Polymers Limited (APL). The ratings continue to derive comfort from extensive experience of the promoters and diversified customers and long-standing relationship with suppliers. However, these rating strengths remain constrained by moderate scale of operations and financial risk profile and commoditised nature of raw material.

The stable outlook has been assigned in view of expected growth in the business performance.



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Key Rating Sensitivities:

Upward Factors

- Growth in scale of operations with improvement in profitability metrics
- Improvement in working capital management.

Downward Factors

- Dip in operating income and/or profitability on a sustained basis.
- Deterioration in the capital structure and moderation in the liquidity position with further elongation in operating cycle.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Extensive experience of the promoters

Mr Gaurav Thanky, the Chairman and Managing Director is professional in the field of engineering with almost three decades of experience in the plastic industry. As the Managing Director of APL, he plays a pivotal role in driving the company's growth. Mr. Gaurav Thanky is responsible for overseeing the overall operations. Mr. Aarasp Bejan Bodhanwala (Non-executive Director) is a professional in the field of finance and accounting. He is a qualified chartered accountant with career spanning 37 years.

Diversified customers and longstanding relationship with suppliers

APL is actively broadening its customer network by adding new clients, while existing customers have also brought in additional business opportunities. These newly onboarded clients have already begun contributing to revenues, strengthening their future business pipeline. APL's customer base was earlier concentrated to batteries which has now expanded to include clients from the LED lighting and electrical switches industries. Additionally, APL has strategic sourcing arrangements with reputed suppliers, maintaining long-term relationships with them.

Key Rating Weaknesses

Moderate scale of operations and financial risk profile

APL's scale of operations stood moderate. Total Operating Income declined from Rs. 127.91 crore in FY24 (FY refers from 1st April to 31st March) to Rs. 78.08 crore in FY25, primarily due



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to the loss of a major customer which significantly impacted sales. Additionally, a change in the technical standards of the product led to shift to other distributors. Consequently, profitability was affected, PAT margin declined from 1.21% in FY24 to 0.22% in FY25. APL's financial risk profile stood moderate. The overall gearing ratio on ATNW stood at 1.36x as of March 31, 2024, and rose to 1.59x as of March 31, 2025, due to an increase in total debt as on 31st March 2025. In terms of debt protection metrics, the interest coverage ratio was 2.04x as on March 31, 2024, but declined to 1.22x as on March 31, 2025, owing to decline in profitability. Similarly, DSCR dropped below unity to 0.85x as on March 31, 2025. However, APL's cash flows were supported by unsecured loans from promoters and a preferential share issue amounting to Rs. 12.73 crore in July 2025.

Commoditized nature of raw material

Prices of the key raw materials such as Plastic Granules – Poly carbonate, glass fiber, PPE, Nylon are linked to global crude oil movements, hence volatile. Additionally, supply and demand dynamics, geopolitical factors, and global market trends can also influence their prices. Since raw material cost accounts for a bulk of total production cost, variation in rates may impact profitability.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Stretched

The liquidity position of the company is stretched marked by moderate cash accruals as against its repayment obligations. The company's average fund based working capital limit utilisation stood high at 98.70% for the last 12 months ended July 2025. The current ratio of the company stood modest at 1.19x as on March 31, 2025.



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About the Company

Axel Polymers Limited (APL), incorporated in 1992 at Vadodara, Gujarat, is engaged in the manufacturing of compounds, blends, and alloys of engineering and specialty polymers. It has been promoted by Mr. Gaurav Thanky. APL is the manufacturer of Engineering Thermoplastic Compounds in India, catering to both multinational companies and domestic corporates. It has an installed capacity of 14500 MTPA, at its manufacturing unit located in Vadodara, Gujarat. APL is also listed on the Bombay Stock Exchange (BSE).

Financials Standalone

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	127.91	78.08
EBITDA	5.79	3.96
PAT	1.55	0.17
Total Debt	21.34	25.14
Adjusted Tangible Net Worth	15.61	15.77
EBITDA Margin (%)	4.52	5.07
PAT Margin (%)	1.21	0.22
Overall Gearing Ratio (x)	1.37	1.59
Interest Coverage (x)	2.04	1.22

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Crisil Ratings moved the ratings of bank facilities of Axel Polymers Limited in the 'Issuer Not Cooperating' category vide Press Release dated 23rd October 2024 due to non-submission of information by the company.

Any other information: Nil

Rating History for last three years:



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S r. N o.	Name of Security/F acilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amou nt outsta nding (Rs. Crore)	Rating	Date(s) Rating(s) assigned 2024-25	Date(s) & Rating(s) as signed in 2023-24	Date(s) & Rating(s) as signed in 2022-23
					Date- 17 th September 2024	Date 18 th July 2023	-
1.	Long Term Bank Facility – Term Loan	Long Term	2.27 (Redu ced from 3.22)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	-
2.	Long Term Bank Facility – Cash Credit	Long Term	24.50	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	-
3.	Short Term Bank Facilities- Purchase Bill Discountin g	Short Term	5.00	IVR A4 (IVR A four)	IVR A4 (IVR A four)	-	-
4.	Short Term Bank Facility- Letter of credit	Short Term	7.50	IVR A4 (IVR A four)	IVR A4 (IVR A four)	IVR A4 (IVR A four)	-
5.	Proposed Bank Facilities	Long Term/ Short Term	0.03	IVR BB-/ Stable; IVR A4 (IVR Double B Minus with Stable Outlook ; IVR A four)	IVR BB-/ Stable; IVR A4 (IVR Double B Minus with Stable Outlook ; IVR A four)	-	-



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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) previously Infomerics Valuation and Rating Private Limited was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

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Annexure 1: Instrument/Facility Details

Name of Facility/Security	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/Outlook
Long Term Bank Facilities-Term Loans	-	-	-	2028	2.27 (Reduced from 3.22)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)
Long Term Bank Facilities-Cash Credit	-	-	-	-	24.50	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)
Short Term Bank Facilities-Letter of Credit	-	-	-	-	7.50	IVR A4 (IVR A four)
Short Term Bank Facilities-Purchase Bil Discounting	-	-	-	-	5.00	IVR A4 (IVR A four)
Proposed Bank Facilities	-	-	-	-	0.03	IVR BB-/Stable; IVR A4 (IVR Double B Minus with Stable Outlook ; IVR A four)

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-axel-oct25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.