

Axel Polymers Limited

June 11, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 39.30 Crore	Regulator[^]
Long Term Rating	IVR B+/Stable (Rating downgraded)	RBI
Short Term Rating	IVR A4 (Rating Reaffirmed)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

Infomerics Ratings has downgraded its ratings assigned to the bank facilities of Axel Polymers Limited (APL). The downgrade in ratings takes into account of continuous decline in revenues and profitability in Q4FY26and FY26(Aud (FY refers from 1st April to 31st March)). The rating remains constrained by weak debt protection metrics and commoditized nature of raw material. Further, the ratings continue to derive strength from extensive experience of the promoters and diversified customers and longstanding relationship with suppliers.

Outlook: Stable

The outlook is stable in view of anticipated growth in the operations of the business

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not applicable

List of companies considered for consolidation/combined analysis is given at Annexure 4.

Key Rating Drivers with Detailed Description

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.

Weaknesses

- **Continuous decline in revenue and profitability**

APL's revenue declined significantly by around 43% to Rs. 44.40 crore in FY26 (FY refers from 1st April to 31st March) from Rs. 78.08 crore in FY25. The decline was primarily attributable to a delay in the planned equity infusion during FY26. The delay adversely impacted the execution of new product development projects in the LED lighting and electrical switch segments, which includes testing, customer approvals, and commercialization activities. Further, during Q4FY26, the company incurred expenses towards exhibition participation, professional fees, and advertisement costs in connection with the proposed equity raise. While the related project costs were incurred during the quarter, the corresponding revenue could not be recognized, adversely affecting profitability. On a full-year basis, the company reported a net loss of Rs. 1.13 crore in FY26 as against a PAT of Rs. 0.17 crore in FY25.

- **Weak debt protection metrics**

As there is loss in FY26, GCA stood negative at Rs -0.40 crore, hence DSCR and interest coverage ratio have been adversely impacted and is below unity. DSCR remained marginally around unity in FY25 also due to higher debt repayment than profitability. However, the company have managed to pay the interest and debt repayments from working capital funds and equity infusion.

- **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.

Liquidity – Stretched

The unencumbered cash and bank balance as on 31-Mar-2026 is Rs. 3.30 crore. The company's average fund based working capital limit utilisation stood high at 98.70% for the last 12 months ended July 2025. Additionally, cash flow from operations stood at negative Rs 2.61 crore as on 31st March 2026 mainly due to loss in FY26 and other working capital changes.

Rating Sensitivities

Upward Factors

- Increase in the scale of operations of the business, leading to enhanced profitability and margins
- Improvement in debt coverage metrics, with DSCR and Interest coverage to above unity

Downward Factors

- Further decline in the scale of operations of the business with deterioration in the capital structure of the company
- Any liability arises from the disputed tax liabilities, which will impact liquidity

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.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	78.08	44.40
EBITDA	3.96	2.43
PAT	0.17	-1.13
Total Debt	25.14	29.84
Adjusted Tangible Net Worth (ATNW)	15.77	21.38
EBITDA Margin (%)	5.07	5.48
PAT Margin (%)	0.22	-2.54
Overall Gearing (times)	1.59	1.40
Interest Coverage (times)	1.22	0.79

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

[Rating Methodology for Manufacturing Companies.](#)

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

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

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

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 12th December 2025 due to non-submission of information by the company.

Any other information: Nil

Rating History for last three years

Sr. No.	Instruments/Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2025-26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24
					October 16, 2025,	September 17, 2024	July 18, 2023
1.	Fund Based Bank Facilities	LT/ST	31.77	IVR B+/Stable; IVR A4	IVR BB-/Stable; IVR A4	IVR BB-/Stable; IVR A4	IVR BB-/Stable; IVR A4
2.	Non -Fund Based Bank Facilities	ST	7.50	IVR A4	IVR A4	IVR A4	IVR A4
3.	Fund Based/Non-fund based	LT/ST	0.03	IVR B+/Stable; IVR A4	IVR BB- Stable; IVR A4	IVR BB- Stable; IVR A4	IVR BB- Stable; IVR A4

Annexure 1: Instrument/Facility Details

Name of Facility/Securitized	ISIN	Date of Issuance	Coupon Rate/IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned / Outlook	Listing Status	Regulator ^	Complexity Indicator
Term Loan	-	-	-	2028	2.27	IVR B+/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	24.50	IVR B+/Stable	NA	RBI	Simple
Letter of credit	-	-	-	-	7.50	IVR A4	NA	RBI	Simple
Purchase bill discounting	-	-	-	-	5.00	IVR A4	NA	RBI	Simple
Proposed long term/short term	-	-	-	-	0.03	IVR B+/Stable ; IVR A4	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure 2: Facility wise lender details:

https://infomericsstorage.blob.core.windows.net/uploads/Len_Axel_Polymers11_June26_bad518cb76.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

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI



21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

Analytical Contact

Name: Jyotsna Gadgil

Tel: (020) 69015332

Email: jyotsna.gadgil@infomerics.com

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