

BDG Shanti Polypack Private Limited

July 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	20.30 (Reduced from 22.45)	CARE BB+; Stable	Reaffirmed
Short Term Bank Facilities	12.25	CARE A4+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation in the rating assigned to the bank facilities of BDG Shanti Polypack Private Limited (BDGSL) is constrained by intense competition due to low entry barriers, moderate capital structure and debt coverage matrices of the company along with its profitability being susceptible to fluctuation in raw material prices.

The ratings however derive strength from the experience of its promoters with long track record of operation, portfolio of diversified clientele and nascent stage albeit growing scale of operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operation (turnover > Rs. 75 crore) while maintaining operating margins above 12% on a sustained basis
- Improvement in TD/GCA below 5x

Negative factors

- Decline in total operating income below (Rs. 30 crores) on a sustained basis
- Increase in debt levels leading to notable deterioration in the capital structure

Analytical approach: Standalone.

Outlook: Stable

Stable outlook is assigned based on the ability of the company and promoters to sustained and improve the financial performance as envisaged.

Detailed description of key rating drivers

Key Weaknesses

Moderate capital structure and debt coverage matrices albeit improvement

The entity's capital structure improved during FY25 backed by gradual repayment of term loan and increasing networth from accretion of profit. However, it continue to remain moderate with overall gearing of 1.94x as on March, 31, 2025 (2.93x as on March, 31, 2024). Its debt profile largely comprises of external debt in the form of working capital and term debt. The total outside liabilities to net worth stood moderate at 2.08x (P.Y. 3.14x). Other debt coverage indicators like PBILD interest coverage stood at 2.62x in FY25 (1.86x in FY24) and total debt to GCA remained high at 7.47x in FY25(13.92x in FY24). The capital structure is expected to improve gradually with regular servicing of term debt and no further debt laded capex planned in the short to medium term.

Profitability susceptible to fluctuation in raw material prices

The company purchases bulk of its major raw material - Low density polyethylene (LDPE) granules from Reliance Industries Limited (RIL) which is the market leader in the manufacturing of LDPE granules which exposes BDGSL to supplier concentration risk and providing little bargaining power. Further, LDPE being a petroleum derivative is highly susceptible to change in crude oil prices which cannot be immediately passed on to the customers. Hence, the profitability of BDGSL is susceptible to fluctuation in raw material prices.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Intense competition due to low entry barriers

BDGSL faces intense competition due to the presence of several local market players in the plastic fabrics industry on account of low entry barriers. This restricts the company's ability to transform itself into a price maker.

Key Strengths

Experienced promoters with long track record of operation

The promoters have been in the plastic and plastic products industry for more than two decades through manufacturing of plastic products in a group company based in Daman which was later converted into manufacturing unit for Polyethylene (PE) sheets. The same has helped the group set up the plant for BDGSL and also establish reputable relationship with their diversified clientele. The day-to-day operations of the company are looked after by Mr. Alok Goyal (M.D) along with the support from a team of experienced professional. Mr. Alok Goyal is part of the Goyal group of companies which is also present in iron and steel sector through group company BDG Metal & Power Limited.

Portfolio of diversified clientele

BDGSL supplies its products to a pool of customers. The diversified clientele helps the company to pass on some of its raw material costs to its customers which helps boost its margins albeit the top 10 customers account only to 30% of total sales in FY25 (PY: 18%), the large customer base helps BDGSL maintain its sales and margins.

Nascent albeit growing scale of operations

The plant began production towards the tail end of Q2FY23 and has since generate sustained TOI since commencement of operations. FY25, being the second complete year of operation has recorded a 41% y-o-y growth in terms of turnover. The company recorded sales of Rs 42 crore as against Rs 32 crores in FY24 on account of improved demand from customers albeit muted sales realisation. Going forward, the scale of operations is expected to ramp up on account of stabilisation of business operations and improving sales realisations. The capacity utilisation has also been improving backed by higher volume sales. The scale is expected to improve further backed by increasing demand of BDGSL's product.

Liquidity: Adequate

The liquidity position of the company stood adequate. The company generated cash accruals of Rs. 2.14 crores in FY25. Also, the company has GST receivables to the tune of Rs. 0.87 crores which is expected to provide further cushion to the liquidity. BDGSL has debt repayment obligation of RS 2.84 crores during FY26 which is expected to be met comfortably. The working capital utilisation has been at around 45% in the past 12 months ended April 2025.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Plastic Products - Consumer

Incorporated in 2020 by Mr. Alok Goyal, BDG Shanti Polypack Limited (BDGSL) is a private limited company that manufactures and trades plastic fabrics and bags that are used as sacks in packaging of cement and potato. The company operates at an installed capacity of 4356 MTPA and its plant is located in Barjora West Bengal. The plant commenced operations in August 2022. BDGSL is part of the Goyal group of companies which includes entities like BDG Power & Metal Ltd which is an integrated TMT bar manufacturer. The day-to-day operations of the company are looked after by Mr. Alok Goyal along with the support from a team of experienced professional.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	32.11	41.94
PBILDT	3.43	3.84
PAT	0.49	1.11
Overall gearing (times)	2.93	1.94
Interest coverage (times)	1.86	2.62

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: Not Applicable.

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	13.00	CARE BB+; Stable
Fund-based - LT-Term Loan		-	-	October 2028	7.30	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	3.25	CARE A4+
Non-fund-based - ST-Letter of credit		-	-	-	9.00	CARE A4+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Non-fund-based - ST-Bank Guarantee	ST	3.25	CARE A4+	-	1)CARE A4+ (03-Oct-24)	1)CARE A4+ (06-Sep-23)	-
2	Fund-based - LT-Cash Credit	LT	13.00	CARE BB+; Stable	-	1)CARE BB+; Stable (03-Oct-24)	1)CARE BB+; Stable (06-Sep-23)	-
3	Fund-based - LT-Term Loan	LT	7.30	CARE BB+; Stable	-	1)CARE BB+; Stable (03-Oct-24)	1)CARE BB+; Stable (06-Sep-23)	-
4	Non-fund-based - ST-Letter of credit	ST	9.00	CARE A4+	-	1)CARE A4+ (03-Oct-24)	1)CARE A4+ (06-Sep-23)	-

LT: Long term; ST: Short term.

Annexure-3: Detailed explanation of covenants of rated instruments/facilities : Not Applicable.

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	Simple
4	Non-fund-based - ST-Letter of credit	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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