

AMD Industries Limited

July 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	141.08 (Enhanced from 129.08)	CARE BBB; Stable	Reaffirmed
Short Term Bank Facilities	85.00	CARE A3+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the ratings assigned to the bank facilities of AMD Industries Limited (AMD) factors in stable scale of operations and profitability margins during FY25 (refers to the period from April 01, 2024 to March 31, 2025), experienced promoters with long track record of operations in the packaging industry with favourable prospects of the industry and long-term relationships with the reputed customers. The ratings however, continued to remain constrained on account of elongated operating cycle, weak debt coverage indicators, highly fragmented and competitive nature of the industry, and susceptibility of profitability margin pertaining to raw material price volatility.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Growth in scale of operations with Total Operating Income (TOI) above Rs.350 crore along with sustenance in Profit Before Interest, Lease Rentals, Depreciation and Taxation (PBILDT) margin above 12%.
- Improvement in financial risk profile with overall gearing below 0.75x and total debt/PBILDT below 4.00x on a sustained basis.

Negative factors

- Decline in operating income below Rs.200 crore and moderation in PBILDT margin below 8% on a sustained basis.
- Significant elongation in operating cycle impacting the company's liquidity profile
- Any higher than envisaged debt funded capex resulting in increase in overall gearing above 1.30x on a sustained basis.

Analytical approach: Standalone

Stable outlook reflects CARE's opinion that AMD will continue to derive benefits from its experienced promoters and reputed customer base.

Outlook: Stable

Detailed description of key rating drivers:

Key strengths

Experienced promoters with long track record in the industry

Incorporated in 1983, AMD is promoted by Mr. Ashok Gupta, Chairman who has an experience of more than 4 decades in the industry. He is involved in the overall business operations and looks after the day-to-day operations of the company. He is supported by his son Mr Adit Gupta, who is the Managing Director of the company. He is a B.Sc. in Chemical Engineering stream from Virginia, USA and MBA (Finance) from Boston, USA. He brings with him an experience of more than 20 years.

Favourable prospects of the industry

Polyethylene terephthalate (PET) refers to a thermoplastic polymer resin of the polyester family which is widely used for manufacturing plastic bottles. In comparison with Polypropylene (PP), High Density Polyethylene (HDPE) and Poly Vinyl Chloride (PVC) bottles, PET bottles are more durable, transparent, lightweight, non-reactive, cost-effective, and thermally stable. Moreover, they are environment-friendly and can be recycled repeatedly which further reduces their manufacturing cost. Primarily used in the packaging of drinking water and beverages, PET bottles are also gaining prominence as a packaging solution for FMCG and Pharmaceutical industry.

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

Reputed customer base albeit customer concentration risk

The company's supplies the products to several reputed manufacturers in beverage industry like Moon Beverages Limited, Bisleri International Pvt Ltd, United Breweries Ltd., Hindustan Coca Cola Beverages Pvt Ltd, Vishal Mega Mart Pvt. Ltd, Reliance Retail Ltd among others. Further, AMD has a long-established association its clients that ensures repeat orders. However, the revenue profile is concentrated with top ten customers constituting ~58% of total revenue in FY25 while ~62% in FY24. Any change in the procurement policy of the customer may adversely impact the business profile of the company.

Stable scale of operations and profitability margins

The total operating income of the company remained largely stable at Rs.276.46 crore in FY25 (PY: Rs.277.93 crore). Further, the PBILDT margin of the company improved marginally to 8.99% in FY25 (PY: 8.02%). As a result of marginal improvement in PBILDT margin, AMD reported PAT margin of 0.36% (PY: Net loss of Rs.1.67 crore). Going forward, the scale of operations of the company are expected to grow at ~10% annually backed by AMD's efforts to acquire new customers as well as by tapping to FMCG and personal care segment.

Key weaknesses

Weak debt coverage indicators

The capital structure of the company remained moderate marked by overall gearing of 0.84x as on March 31, 2025 (PY: 0.98x). However, the debt coverage indicators of the company continued to remain weak as reflected by PBILDT interest coverage and total debt/GCA of 2.58x (PY: 1.99x) and 8.18x (PY: 13.17x) in FY25 respectively.

Elongated operating cycle

The nature of the business being highly competitive and seasonal leads to the average collection period being high at around 93 days during FY25 (PY: 103 days). The company has to offer reasonable credit period to its customers as majority of them are large size players which possess high bargaining power. Further, the company is required to maintain adequate inventory of raw material for smooth running of its production processes leading to high inventory days of 128 days in FY25 (PY: 141 days). This leads to operations of the company being working capital intensive marked by an average operating cycle of 130 days during FY25 (PY: 147 days).

Volatility in raw material prices

The major raw materials used in the manufacturing are PET resin and polypropylene which are crude derivatives. Hence AMD is exposed to price fluctuation of crude in the global market. Further raw materials constitute 60-65% of the total income and hence any volatility in their prices has a direct impact on the profitability margins of the company. However, the company mitigates this risk to some extent by setting the prices quarterly.

Highly fragmented and competitive nature of industry

PET Bottle industry operates in a highly fragmented industry marked by the presence of a large number of players in the unorganized sector. The industry is characterized by low entry barriers due to low technological inputs and easy availability of standardized machinery for the production. This further leads to high competition among the various players and low bargaining power with suppliers. Further, the low lead time for setting up a new plant and the lack of product differentiation reduce the entry barriers for new entrants resulting in overcapacity in the industry. Moreover, the beverage manufacturer is also setting up their own plant in order to cater their demand.

Liquidity: Adequate

The liquidity of the company is adequate marked with expected gross cash accruals of ~Rs. 15.91 crore in FY26 against scheduled debt repayment of ~Rs. 8.93 crores. The company's average month end utilization of fund-based facility for the past 12 months ending March 31, 2025, stood comfortable at 47%. The company had low free cash and cash equivalents of Rs. 0.02 crore as on March 31, 2025. The company envisages a capex of ~Rs 16 crores pertaining to additional machinery to cater to potential new customers which will eventually enhance capacity utilisation and to automate certain processes which would be funded through debt (~75%) (sanctioned) and remaining from internal accruals.

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
Industrials	Capital Goods	Industrial Products	Plastic Products - Industrial

AMD was founded in 1958 as a trading and manufacturing company of glass bottles. They started manufacturing crown caps in 1971 and manufacturing of PET preforms and plastic bottles in 1998. Currently the company is engaged into manufacturing of crown caps, Carbonated Soft drinks (CSD) closures, Polyethylene terephthalate (PET) Preforms, PET bottle and PET 20L Jars at Neemrana (Rajasthan). AMD is currently being managed by founding promoter and chairman, Mr Ashok Gupta and his son Mr Adit Gupta as managing director. The company supplies finished packaging goods to soft drinks, beverages, water, and liquor industries.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	277.93	276.46
PBILDT	22.28	24.84
PAT	-1.67	1.00
Overall gearing (times)	0.98	0.84
Interest coverage (times)	1.99	2.58

A: Audited ; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	92.54	CARE BBB; Stable
Fund-based - LT-Term Loan		-	-	February 2029	48.54	CARE BBB; Stable
Non-fund-based - ST-BG/LC		-	-	-	85.00	CARE A3+

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	Fund-based - LT-Term Loan	LT	48.54	CARE BBB; Stable	-	1)CARE BBB; Stable (31-May-24)	1)CARE BBB+; Stable (28-Jun-23)	1)CARE BBB; Stable (21-Oct-22) 2)CARE BBB; Stable (04-Oct-22)
2	Fund-based - LT-Cash Credit	LT	92.54	CARE BBB; Stable	-	1)CARE BBB; Stable (31-May-24)	1)CARE BBB+; Stable (28-Jun-23)	1)CARE BBB; Stable (21-Oct-22) 2)CARE BBB; Stable (04-Oct-22)
3	Non-fund-based - ST-BG/LC	ST	85.00	CARE A3+	-	1)CARE A3+ (31-May-24)	1)CARE A2 (28-Jun-23)	1)CARE A3+ (21-Oct-22) 2)CARE A3+ (04-Oct-22)

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-BG/LC	Simple

Annexure-5: Lender detailsTo 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:

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Puneet Kansal Director CARE Ratings Limited Phone: 120-4452018 E-mail: puneet.kansal@careedge.in Dhruv Mittal Assistant Director CARE Ratings Limited Phone: 91-120-4452050 E-mail: dhruv.mittal@careedge.in Meenal Gupta Analyst CARE Ratings Limited E-mail: Meenal.gupta@careedge.in
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