Luxor International Private Limited

December 04, 2025

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	47.62 (Reduced from 52.91)	CARE BBB- (RWN)	Continues to be on Rating Watch with Negative Implications
Short Term Bank Facilities	2.00	CARE A3 (RWN)	Continues to be on Rating Watch with Negative Implications
Short Term Bank Facilities	3.90 (Reduced from 20.09)	CARE A3 (RWN)	Reclassified LT facilities to ST; ST rating assigned; Continues to be on Rating Watch with Negative Implications

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has assessed the rating on a combined approach, factoring in the financial and operational linkages between Luxor International Private Limited (LIPL) and Luxor Writing Instruments Private Limited (LWIPL), collectively referred to as the *Luxor Group*. Both entities operate in a similar line of business, share common promoters, and exhibit cash flow fungibility.

The ratings continue to remain under 'Rating Watch with Negative Implications' following the imposition of a 50% tariff by the U.S. Government on select imported goods, including stationery products. The group derives ~18% of its revenue from the U.S. market on combined basis (FY25; refers to the period from April 01 to March 31), with LIPL having the highest exposure at ~45% of its Total Operating Income (TOI), while LWIPL has a relatively lower exposure of ~4%. The watch reflects uncertainty regarding sustainability of export volumes, potential margin pressures from pricing renegotiations, and evolving U.S. trade policy following moderation in performance during H1FY26 (refers to the period from April 01 to September 30). CARE Ratings Limited (CareEdge Ratings) will continue to monitor the developments and assess the full-year impact on the group's operational and financial performance.

The ratings continue to factor in experienced promoters with an established brand presence in domestic and export markets. The group benefits from strategic collaborations with global brands such as Parker and Waterman, and a diversified product portfolio and a strong distribution network across retail, Business-to-Business (B2B), e-commerce, and modern trade channels. However, the ratings remain constrained by a marginal decline in scale of operations and profitability in FY25, which continued in H1FY26, primarily due to reduced orders from overseas customers and higher employee costs. The group's operations are working capital intensive, reflected in high utilisation of sanctioned limits, and debt levels remain elevated due to regular debt-funded capex. Ratings further remain constrained by the group's exposure to foreign currency fluctuation risk, susceptibility to volatile raw material prices, and intense competition from the unorganized segment in the writing instruments industry. Apart from this, the group has announced a debt-funded capex to commission a new plant in Gujarat in order to consolidate operations under one roof, enhance efficiency, and leverage proximity to Mundra port for logistics benefits, along with a proposed merger of LIPL and LWIPL. Successful execution of the project and merger within stipulated timelines will remain a key monitorable.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in revenue above Rs. 750 Cr and PBILDT (Profit before interest, lease, depreciation and tax) margin above 8% on a sustained basis.
- Improvement in financial risk profile with overall gearing below 1.00x on a sustained basis

Negative factors

- Deterioration in profitability with PBILDT margin below 5%.
- Deterioration in financial risk profile with overall gearing above 1.50x on a sustained basis.
- Timely infusion of funds by promoters as and when needed.

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

Analytical approach: Combined.

CARE has combined financials of two entities viz Luxor International Private Limited (LIPL) and Luxor Writing Instruments Private Limited (LWIPL) [collectively referred to as Luxor group] since, the said entities are engaged in a similar line of activity, have common promoters along with having significant operational and financial linkages. The details of the entity considered in combining the financials is provided in Annexure-6.

Detailed description of key rating drivers:

Key strengths

Extensive experience of promoters with long track record of operations

Luxor Group, founded by Late Mr. D.K. Jain, started manufacturing writing instruments in India in 1963. The group is now headed by Chairperson Mrs. Usha Jain, who has over five decades of industry experience and looks after the overall operations of the group. She is ably supported by Mrs. Pooja Jain (Managing Director), executive MBA from Harvard Business School and has over 25 years of industry experience. The top management is assisted by qualified professionals with vast experience in production, finance, distribution, and marketing. The company has resourceful promoters, backed by a robust net worth and diversified interests, including stakes in Qutub Hotel and real estate ventures.

Established market position with strong brand presence

Luxor is one of the brand leaders in the Indian writing instruments industry. In addition to its own brand, the company has entered into long-term exclusive agreements with the original manufacturers of renowned global brands such as Parker and Waterman. Luxor enjoys established market presence, being the exclusive manufacturer and distributor for these brands in India. Further, the highest revenue contribution in FY25 came from the Luxor brand, followed by Parker and Waterman. The company had anticipated healthy traction for the Schneider brand following its launch last year; however, initial stabilization took longer than anticipated. The brand is now poised to deliver improved sales and support growth across key channels in the current year. The company has secured a licence for a well-known U.S. brand for manufacturing and sales in the Indian market, which is expected to strengthen its product offering and revenue base.

Diversified product portfolio and customer base with strong distribution network

The group offers a wide range of products including luxury pens, ball pens, highlighters, colours, sketch pens, markers, notebooks, among others. Recently, it has expanded its portfolio by introducing new ball pen ranges, priced at ₹10 each, targeting the mass segment with significant market potential. Products are sold domestically through a strong distribution network comprising over 5,000 distributors and over 60,000 retail outlets, supported by B2B, e-commerce, and modern trade channels. Export sales are primarily through contract manufacturing for leading international names such as Crayola (U.S.), Carrefour (France), Walmart and Newell (U.S.), Spar (France), and The Works (UK).

Key weaknesses

Marginal decline in scale and profitability

The group reported a marginal decline in total operating income in FY25 to ₹614.25 crore (PY: ₹637.40 crore), mainly due to reduced orders from overseas customers. Profitability also moderated to 6.27% (PY: 7.31%) owing to lower scale and higher employee costs. In H1FY26, TOI stood at ₹314.89 crore (PY: ₹343.63 crore), reflecting limited impact of the recently imposed U.S. tariff. There were no major order cancellations, and the company retained its customer base by offering selective discounts. While the tariff introduces uncertainty around future volumes and pricing given a decline in performance in H1FY26, the group has initiated several measures to improve margins and support growth. These include backward integration projects such as refill and tip manufacturing to reduce dependency on imports, launching new products in ball pens category to capture the mass market, and setting up notebook manufacturing to replace traded products, expected to reduce purchase costs by ~15%. The upcoming Gujarat project and proposed merger of LIPL and LWIPL aim to consolidate operations under one roof, optimise costs, and improve working capital efficiency. Successful execution of these initiatives will remain a key monitorable.

Elevated debt levels

The group's financial risk profile remains moderate, characterized by elevated debt levels due to regular debt-funded capex and high working capital requirements. Overall gearing stood at 0.92x as on March 31, 2025 (PY: 0.87x). Going forward, gearing is expected to deteriorate above 1x as the company undertakes additional debt-funded capex for its upcoming Gujarat project. The total estimated cost of the project is ~₹80 crore, which includes ₹30 crore for land (already acquired in H1FY26 through the sale of one of its properties). The balance ₹50 crore will be funded in a debt-to-equity ratio of 80:20 (debt is yet to be tied up), with promoters contributing 20% in the form of equity or unsecured loans (non-interest bearing). Construction is scheduled to commence in January 2026, with commercialization targeted for December 2026. The company regularly undertakes annual capex of ₹20–25 crore to address evolving customer demands and improve operational efficiency, including backward integration projects (refill and tip manufacturing) and notebook production.

Working capital intensive nature of operations

Operations are working capital intensive with an average operating cycle of around 61 days as on March 31, 2025 (PY: 60 days). The working capital requirements are met largely through bank borrowings resulting in high working capital limit utilisation. Going forward, the effectiveness of initiatives aimed at improving working capital management will remain a key monitorable.

Margins susceptible to volatility in raw material prices and currency risk
Crude oil plays a significant role in the stationery industry, primarily as a raw material for plastic production as pens and plastic coatings are made from petroleum-derived plastics. Additionally, petroleum by-products are used in the production of ink. Therefore, fluctuation in crude oil prices has a direct bearing on the cost of producing various stationery items made from plastic or other petroleum-based materials. The cost of raw material for Luxor accounts for ~55%-60% of its total production cost. However, the company passes on the change in prices to a limited extent as there is intense competition in the industry and this volatility in raw material prices is reflected in fluctuating margins as well. Further, raw materials are sourced through both domestic and overseas suppliers and the company mitigates foreign currency fluctuation risk through natural hedging, as exports are more than imports with exports at ~Rs. 232.76 crore and imports at ~Rs. 80 crore during the fiscal year 2025. The company has also booked net gain of Rs. 2.83 crore (combined level) in FY25 (PY: Rs. 3.35 crore) on foreign currency transactions.

Exposure to Competition
The company faces intense competition from the unorganised sector, where pricing is comparatively. This creates pressure over brands in terms of sales, pricing, bargaining power and profitability.

Liquidity: Adequate
In H1FY26, the company monetised one of its properties, out of the funds received from that sale, ₹5 crore remains available as cash in hand. Further, ₹10 crore from the sanctioned term debt for ongoing capex is yet to be drawn, providing an additional liquidity cushion towards project funding. The average utilisation of working capital limits remained high at ~91% for Luxor Writing Instruments Private Limited and 92% for Luxor International Private Limited in the 12-month period ended October 2025. Discussions are underway with lenders for enhancement of working capital limits. The liquidity profile is further supported by strong promoter backing, with a strong net worth base of promoters, ensuring timely support in case of exigencies

Applicable criteria

Consolidation
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
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Household Products	Stationary

Luxor group began its operations in 1963 under the name Luxor Pen company, a proprietorship concern. It was formed by late Mr. D.K. Jain. The group manufactures writing instruments under its own brand- Luxor. The entire domestic business was transferred to Luxor Writing instruments Private Limited. The group ventured into export market in 1990 by forming an exclusive international division namely Luxor exports company. The entire business of Luxor exports company was transferred to Luxor International Private Limited in 2002.

Brief Financials (Combined) (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	637.40	614.25	314.89
PBILDT	46.58	38.50	12.76
PAT	16.87	-1.76	-4.39
Overall gearing (times)	0.87	0.92	NA
Interest coverage (times)	3.20	2.13	1.52

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

About the company: Luxor International Private Limited (LIPL)
Luxor International Private Limited was incorporated in 1980 primarily to do job work for Luxor pen company. It is engaged into manufacturing writing instruments, including ball, fountain, roller and gel pens, highlighters, markers and colouring material,

exports products under its own brand -'Luxor'. LIPL also undertakes contract manufacturing for leading international names such as Carrefour (France), Walmart and Newell (USA) etc. LIPL exports writing instruments and undertakes contract manufacturing for various brands across the world. In FY23, it has come into association with Schneider, Germany and launched LX Max (pen) having German technology. The company was into long term association with Pilot, Japan, however discontinued the same in June 2023.

Brief Financials (Standalone) (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	237.65	220.24	102.90
PBILDT	17.25	8.11	2.58
PAT	3.59	-4.89	-2.88
Overall gearing (times)	1.23	1.24	NA
Interest coverage (times)	2.77	1.14	1.04

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results

Status of non-cooperation with previous CRA: CRISIL assigned the ratings to the bank facilities of Luxor International Private Limited into 'Issuer not-cooperating' category vide press release dated November 15, 2024, on account of non-availability of requisite information from the company.

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-Working Capital Limits		-	-	-	46.00	CARE BBB- (RWN)
Fund-based - ST-Working Capital Limits		-	-	-	3.90	CARE A3 (RWN)
Non-fund-based - ST-BG/LC		-	-	-	2.00	CARE A3 (RWN)
Term Loan-Long Term		-	-	31/12/2025	1.62	CARE BBB- (RWN)

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-Working Capital Limits	LT	46.00	CARE BBB- (RWN)	1)CARE BBB- (RWN) (05-Sep-25)	1)CARE BBB-; Stable (12-Sep-24)	-	-
2	Term Loan-Long Term	LT	1.62	CARE BBB- (RWN)	1)CARE BBB- (RWN) (05-Sep-25)	1)CARE BBB-; Stable (12-Sep-24)	-	-
3	Non-fund-based - ST-BG/LC	ST	2.00	CARE A3 (RWN)	1)CARE A3 (RWN) (05-Sep-25)	1)CARE A3 (12-Sep-24)	-	-
4	Fund-based - ST-Working Capital Limits	ST	3.90	CARE A3 (RWN)	1)CARE BBB- (RWN) (05-Sep-25)	1)CARE BBB-; Stable (12-Sep-24)	-	-

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-Working Capital Limits	Simple
2	Fund-based - ST-Working Capital Limits	Simple
3	Non-fund-based - ST-BG/LC	Simple
4	Term Loan-Long Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated

Sr No	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Luxor Writing Instruments Private Limited	Full	Group entity

Note on complexity levels of rated instruments: CareEdge 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.

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About us:

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