CareEdge RATINGS

Mishra Polypacks Private Limited

August 21, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	50.00	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd has been seeking information from Mishra Polypacks Private Limited (MPPL) to monitor the ratings vide e mail communications/letters dated May 25, 2026, to August 07, 2026, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the ratings on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on MPPL's bank facilities will now be denoted as CARE B+; Stable; ISSUER NOT COOPERATING.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings have been revised on account of non-availability of requisite information due to non-cooperation by MPPL with CARE's effort to undertake a review of the outstanding ratings as CARE views information availability risk as key factor in its assessment of credit risk profile.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings believes that the company will continue to benefit from the extensive experience of promoters and management in the industry.

Detailed description of key rating drivers

At the time of last rating on July 23, 2025, the following were the rating weaknesses and strengths.

Key weaknesses

Thin profitability: MPPL's operating profitability has remained stable over the past three years ending FY25, with the PBILDT margin hovering around 2%, primarily due to the trading nature of operations and intense industry competition. The margin stood at 2.01% in FY25, broadly in line with FY24, supported by stable input costs. The Profit After Tax (PAT) margin remained modest, aided by low depreciation expenses. Return on Capital Employed (ROCE) stood at a moderate 11.15% in FY25 (PY: 10.19%).

Leveraged Capital Structure and Marginally weak debt coverage indicators: The entity's capital structure remained leveraged, with overall gearing consistently above 3x over the past five years. As on March 31, 2025, the gearing stood at 4.01x (PY: 3.12x), reflecting a continued high reliance on external debt, primarily in the form of working capital borrowings.

Debt coverage indicators remained marginally weak, as reflected in a moderate PBILDT interest coverage ratio ranging between 1.28x and 1.50x over the past five years, standing at 1.47x in FY25 (PY: 1.39x). The total debt to gross cash accruals (TD/GCA) ratio remained elevated at 24.90x in FY25, though it improved from 34.02x in FY24. The improvement was primarily driven by a marginal uptick in profitability and the subordination of unsecured loans, which provided some cushion to the capital structure.

Susceptibility to volatility in steel prices: The steel industry is highly susceptible to price volatility due to factors like global economic conditions, supply chain disruptions, trade policies, raw material costs, and energy prices. These fluctuations can significantly impact businesses reliant on steel, affecting project costs and profitability. To mitigate these risks, companies often use strategies such as long-term contracts, supplier diversification, hedging, and effective inventory management. Staying adaptive and vigilant is crucial for navigating this dynamic market environment.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority
[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Fragmented and competitive nature of the iron and steel trading business: Iron and Steel trading is characterised by highly competitive, fragmented, and cyclical business, which is strongly correlated to economic cycles. Metal trading industry has low entry barriers and there are huge number of unorganised players in the industry, resulting in large competition.

Key strengths

Experienced promoters and support by way of infusion of funds: The promoters' extensive two-decade experience in the steel trading industry, coupled with their strong understanding of local market dynamics and healthy relationships with customers and suppliers, will continue to support the business's risk profile. Their longstanding presence in the market enables them to effectively anticipate price trends and strategically manage purchasing and inventory decisions. MPPL is promoted by Mr. Shishir Kumar Mishra, who is the Director of the entity. MS. Geetha Mishra, Director has 20 years of experience and oversees operations. The promoters also infused unsecured loans to support the increasing scale of operations. As of March 31, 2025, total unsecured loans outstanding stood at Rs.5.77 crore out of which Rs 4.52 crore are subordinated to bank debt, hence expected to be retained.

Satisfactory scale of operations: The Total Operating Income (TOI) of MPPL grew at a compounded annual growth rate (CAGR) of 17.12% over the five years ended FY25. In FY25, TOI increased by 37% year-on-year to ₹347.54 crore, driven by improved demand from customers. Despite the growth, the company continues to operate on a modest net worth base, which stood at ₹14.05 crore as on March 31, 2025. The scale of operations remains moderate, limiting the company's financial flexibility and its ability to derive benefits from economies of scale. Moreover, intense competition in the industry is expected to continue constraining its future growth prospects.

Comfortable operating cycle: The company operates in a working capital-intensive industry, marked by the need to maintain high inventory levels to ensure timely supply and price advantage, especially in the trading segment. Despite this, the operating cycle remains comfortable in the range of 55–65 days over the last three years, supported by balanced receivable and payable periods of 30–45 days each. The efficient management of receivables and payables, along with consistent turnover of inventory, provides comfort in managing liquidity requirements, although the reliance on working capital borrowings remains high at 95%.

Liquidity: Stretched

MPPL's liquidity position remains stretched, as reflected by negative cash flow from operations of ₹14.54 crore in FY25. The company reported Gross cash accruals of ₹2.27 crore during FY25, with a low cash and bank balance of only ₹0.06 crore as on March 31, 2025. The current ratio stood at 1.20x. The company has been utilizing an average of 95% of its sanctioned working capital limits of ₹50.00 crore over the 12 months ending June 2025, indicating a high reliance on bank borrowings to support its operational requirements. However, some comfort can be drawn as the promoters are resourceful and have been infusing funds as and when required.

Assumptions/Covenants- Not applicable

Environment, social, and governance (ESG) risks- Not applicable

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Information Adequacy Risk and Issuer Non-Cooperation
Rating Outlook and Rating Watch
Financial Ratios – Non financial Sector
Iron & Steel
Wholesale Trading

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

Hyderabad, Telangana-based Mishra Polypacks Private Limited (MPPL) was incorporated on September 07, 1994, as a private limited company by Mr. Shishir Kumar Mishra. MPPL is part of the Mishra group and is ISO 9001:2008 certified. MPPL is engaged in the business of supplying HDPE & PP bags, gunny bags, cement misprinted bags, once-used HDPE cement bags, jute twin & sacks, bag closing yarn, MS angles, MS pipes, TMT bars, etc

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	253.45	347.53
PBILDT*	5.02	6.80
Profit after tax (PAT)	0.94	1.36
Overall gearing (x)	5.60	6.83
Interest coverage (x)	1.39	1.44

A: Audited; UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	50.00	CARE B+; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	50.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (23-Jul-25)	-	-

*Issuer did not cooperate; based on best available information.
LT: Long term

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

Annexure-4: Lender details

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

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.

Contact us

Media Contact	Analytical Contacts
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Karthik Raj K Director **CARE Ratings Limited** Phone: +91-80-4662 5555 E-mail: karthik.raj@careedge.in
Relationship Contact Saikat Roy Senior Director **CARE Ratings Limited** Phone: 912267543404 E-mail: saikat.roy@careedge.in	Y Tejeshwar Reddy Associate Director **CARE Ratings Limited** Phone: +9140-6793-7406 E-mail: Tejeshwar.Reddy@careedge.in Vineeth Mididoddi Lead Analyst **CARE Ratings Limited** E-mail: vineeth.mididoddi@careedge.in

About us:
Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

For detailed Rating Report and subscription information,
please visit www.careratings.com