

April 28, 2026

## Alliance Polysacks Private Limited: Ratings reaffirmed; outlook revised to Positive

### Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term - Fund-based – Cash credit	66.00	66.00	[ICRA]BBB- (Positive); reaffirmed; outlook revised to Positive from Stable
Long-term - Fund-based – Term Loan	33.25	17.00	[ICRA]BBB- (Positive); reaffirmed; outlook revised to Positive from Stable
Short-term - Non-fund Based	36.00	36.00	[ICRA]A3; reaffirmed
Long-term/Short-term – Unallocated	14.75	31.00	[ICRA]BBB- (Positive)/[ICRA]A3; reaffirmed; outlook revised to Positive from Stable
<b>Total</b>	<b>150.00</b>	<b>150.00</b>	

\*Instrument details are provided in Annexure II

### Rationale

The revision in outlook to Positive reflects ICRA's expectations of a sustained improvement in Alliance Polysacks Private Limited's (APPL) credit profile, supported by favourable domestic demand conditions, improvement in operating profitability, and a moderation in working capital intensity. The outlook revision also factors in the gradual scaling up of operations through the company's US joint venture, which is expected to support geographic diversification and improve business resilience over the medium term. The ratings continue to draw strength from the promoters' extensive experience and APPL's established track record in the flexible packaging industry. The company benefits from a stable customer base, with repeat orders from reputed clients, which limits counterparty risk. The long relationships with suppliers further mitigate raw material sourcing risks and provide operational stability.

APPL's operating performance improved in FY2025, with operating margins expanding to 8.3% (FY2024: 7.9%), driven by a higher share of value-added manufacturing sales and better cost absorption. The company also reported a meaningful improvement in its working capital profile, with NWC/OI moderating to 22% in FY2025 from 32% in FY2024, aided by liquidation of elevated inventory. This improvement is expected to have been sustained in FY2026 through prudent inventory management amid volatility in polypropylene (PP) prices. The total debt declined to ~Rs. 68 crore as on March 31, 2025 (from Rs. 87 crore as of March 2024), primarily due to lower working capital borrowings. In FY2026, APPL's provisional standalone revenues are ~Rs. 370 crore with marginal revenues (Rs. 18-20 crore) at the US JV. In FY2027, the credit profile is expected to remain supported by steady domestic demand, favourable realisations (likely to extend to Q1 FY2027) and a gradual ramp-up in the US JV, subject to normalisation of the operating environment.

However, the ratings remain constrained by the inherently working capital-intensive nature of the business despite the improvement in FY2025 and FY2026. The profitability continues to be exposed to volatility in crude-linked PP granule prices, especially given limited pricing flexibility in certain export contracts. In addition, APPL remains exposed to customer concentration risk, with significant dependence on the cement sector, and operates in a highly competitive PP bag manufacturing industry having several organised and unorganised players. The sustenance of the improved working capital profile and a calibrated ramp-up of overseas operations remain key rating monitorable factors.

### Key rating drivers and their description

#### Credit strengths

**Extensive experience of promoters and track record in the industry** – APPL's promoter, Mr. Sanjay Jain, has over two decades of experience in the industry. He had started the business with Supreme Polymers Private Limited (SPPL) in 1997. Subsequently, he established other companies, including APPL. The extensive experience and technical knowledge of the promoter and management team have helped the company build strong relationships with its customers.

**Strong clientele with long relationships** – The company secures repeat orders from reputed cement players like JK Lakshmi Cement Ltd., RCCPL (formerly Reliance Cement Ltd, now a part of the MP Birla Group), etc, which reduces the counterparty risk. At present, APPL is one of the leading producers of AdStar sacks in North India.

**Diversification in business profile with incorporation of US JV** – In FY2024, APPL incorporated a 50:50 JV in the US with the Kobawala Group to manufacture PP bags, with an annual production capacity of 12 crore bags and revenue potential of \$30 million. APPL will provide technical and managerial expertise, in addition to already infused equity capital. The expansion of overseas operations is intended to improve geographic diversification and partially mitigate exposure to cyclicity or adverse developments in any single market. However, the ramp-up of operations has been slower than initially envisaged, as it was impacted by tariff-related headwinds in the US during FY2026. Any meaningful scale-up and profitability contribution from the JV is, therefore, likely to be gradual and contingent upon stabilisation of the trade and operating environment, which remains a key medium-term monitorable factor.

### Credit challenges

**Moderate operating profitability, vulnerability to volatility in raw material prices** – Polypropylene (PP) granules, a crude-derived input, constitute the key raw material for PP bags, exposing the company to price volatility and inventory loss risk in periods of sharp adverse movements in crude prices. Any mismatch between raw material price trends and pass-through to customers, particularly in the export markets where pricing flexibility is relatively constrained, can compress margins and result in inventory-related losses. While supply risks are mitigated to some extent by APPL's long relationship with Indian Oil Corporation Limited (IOCL), its key vendor, the company's operating profitability has fluctuated within 6.7-9.0% over the past five years. This apart, part of APPL's revenues is derived from trading in raw materials, wherein margins remain thin, which coupled with increasing competition, constrain margins. Nonetheless, the operating margins improved in FY2025 (8.3% vs. 7.9% in FY2024). With favourable demand outlook for the key end-user industry (i.e., cement), steady ramp-up in the overseas business and increased focus on value-added product, APPL margin profile is expected to benefit in the medium term.

**Working capital-intensive operations** – APPL's working capital intensity improved in FY2025, with NWC/OI at 22% as of March 2025 over 32% in March 2024, driven by rightsizing of inventory levels. While the improvement is expected to have sustained in FY2026, as evident from the low utilisation of sanctioned working capital limits and steady liquidity position, the company's operations remain structurally working-capital intensive, exposing cash flows to adverse movements in inventory levels and receivables during periods of demand or price volatility. The moderation in working capital intensity, coupled with improved operating margins, supported stronger debt coverage metrics. Nevertheless, the company's ability to prudently manage inventory amid recent PP price volatility driven by West Asia-related disruptions remain a key near-term monitorable factor.

**Low segmental diversification with majority of clients in cement industry** – The majority of its clients comprise cement industry players, exposing the company to sector concentration risk. While this concentration is expected to persist in the near term over the medium term, the ramp-up of its US joint venture operations is expected to support geographic diversification, partially mitigating the concentration risk.

### Liquidity position: Adequate

APPL's liquidity position is expected to remain Adequate, driven by steady cash flows from operations and supported by sufficient headroom in its working capital facilities, evident from average utilisation of around 36% (against drawing power) during the 12-month period ended February 2026. The company has scheduled debt repayments of Rs. 8.7 crore in FY2027 and Rs. 2 crore in FY2028 and marginal capex plans, which are expected to be comfortably met through internal accruals.

## Rating sensitivities

**Positive factors** – ICRA may upgrade APPL’s ratings if it sustains improvement in its scale of operations, profit margins along with prudent working capital management aiding liquidity position and leverage metrics, with Total Debt/OPBDITA remaining below 2.7 times.

**Negative factors** – Pressure on APPL’s ratings could arise in case of a significant decline in revenue and profitability, or any major debt-funded capital expenditure or deterioration in the working capital cycle adversely impacts its liquidity position and debt coverage metrics. Specific credit metrics which would lead to a downgrade will be TD/OPBITDA over 3.5 times or DSCR below 1.2 times, on a sustained basis.

## Analytical approach

Analytical approach	Comments
Applicable rating methodologies	<a href="#">Corporate credit rating methodology</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	Consolidated financials of issuer considered for analysis. Details of entities consolidated are mentioned under Annexure II.

## About the company

Alliance Polysacks Private Limited was incorporated in March 2009 with the primary focus on manufacturing AdStar sacks. APPL produces AdStar polypropylene (PP) woven sacks along with small portion of regular PP woven sacks. The total installed capacity of its sole plant in Jaipur is 34,800 MT per annum.

The company established a 50-50 joint venture (JV) with Kobawala Poly-Pack Inc. (Kobawala Group) in the US in FY2024 to manufacture PP/griptech bags. The sole plant of the JV is in Watseka city in Illinois; it went into commercial production in FY2026 and has a monthly production capacity of 1 crore bags.

APPL is based in Jaipur, Rajasthan, and promoted by Mr. Sanjay Jain. He is also the promoter of Supreme Polymers Private Limited, Siddharth Polysacks Private Limited and Star Global Endura Limited. Three of the four entities, including APPL, have been engaged in the HDPP/HDPE woven sacks business for the last 20 years.

## Key financial indicators (audited)

Consolidated	FY2024	FY2025
Operating income (Rs. Crore)	296.7	301.8
PAT (Rs. Crore)	5.9	10.1
OPBDIT/OI (%)	7.9%	8.3%
PAT/OI (%)	2.0%	3.4%
Total outside liabilities/Tangible net worth (times)	1.4	1.0
Total debt/OPBDIT (times)	3.7	2.7
Interest coverage (times)	2.8	4.2

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

## Status of non-cooperation with previous CRA: Not applicable

Any other information: None

## Rating history for past three years

Current (FY2027)			Chronology of rating history for the past 3 years							
Instrument	Type	Amount rated (Rs. crore)	FY2026		FY2025		FY2024			
			Date	Rating	Date	Rating	Date	Rating		
<b>Fund-based – Cash Credit</b>	Long-term	66.00	Apr 28, 2026	[ICRA]BBB-(Positive)	-	-	Jan 28, 2025	[ICRA]BBB-(Stable)	Nov 24, 2023	[ICRA]BBB-(Stable)
<b>Fund-based – Term Loan</b>	Long-term	17.00	Apr 28, 2026	[ICRA]BBB-(Positive)	-	-	Jan 28, 2025	[ICRA]BBB-(Stable)	Nov 24, 2023	[ICRA]BBB-(Stable)
<b>Non-fund Based</b>	Short-term	36.00	Apr 28, 2026	[ICRA]A3	-	-	Jan 28, 2025	[ICRA]A3	Nov 24, 2023	[ICRA]A3
<b>Unallocated</b>	Long-term/Short-term	31.00	Apr 28, 2026	[ICRA]BBB-(Positive)/[ICRA]A3	-	-	Jan 28, 2025	[ICRA]BBB-(Stable)/[ICRA]A3	Nov 24, 2023	[ICRA]BBB-(Stable)/[ICRA]A3

### Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA rated Instruments fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	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 branches of Indian Banks/other similar borrowings	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	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

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

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other Activities offered by ICRA fall under regulatory purview of various Financial Sector Regulators (FSR) as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI

3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) 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 can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

**Disclosure:** SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

## Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Cash credit	Simple
Long-term fund-based – Term loan	Simple
Short-term non-fund based	Simple
Long-term/Short-term Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure II: Instrument details**

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Cash credit	NA	NA	NA	66.00	[ICRA]BBB- (Positive)
NA	Term loans	FY2018	NA	FY2030	17.00	[ICRA]BBB- (Positive)
NA	Short-term – Non-fund based	NA	NA	NA	36.00	[ICRA]A3
NA	Long-term/ Short-term - Unallocated limits	NA	NA	NA	31.00	[ICRA]BBB- (Positive)/ [ICRA]A3

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

**Annexure III: List of entities considered for consolidated analysis**

Company name	APPL Ownership	Consolidation approach
Alliance Polysacks Private Limited	-	Full Consolidation
Alliance Polysacks USA Inc.	50%	Proportionate Consolidation

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