

September 19, 2025

Maxop Engineering Company Private Limited: Update on entity

Summary of rating(s) outstanding

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating outstanding
Long-term – Fund-based limits – Term Loan	498.15	498.15	[ICRA]A+ (Stable); Outstanding
Long-term – Fund-based – Cash Credit	253.40	253.40	[ICRA]A+ (Stable); Outstanding
Long-term/ Short-term – Unallocated	100.00	100.00	[ICRA]A+ (Stable)/ [ICRA]A1; Outstanding
Total	851.55	851.55	

*Instrument details are provided in Annexure I

Rationale

Indian exporters have been navigating a turbulent trade environment, following the high level of tariffs (25%) imposed by the US from August 7, 2025. The latest round of US tariffs, effective August 27, 2025, has added a reciprocal 25% duty on select Indian goods, significantly increasing the overall tariff burden and creating cost pressure. The US has also levied tariffs on steel, aluminum, copper and their derivative products under Section 232 of the Trade Expansion Act.

Maxop Engineering Company Private Limited (MECPL) generates 30-32% of its total revenues from the US, of which only about 50% is delivered to the US. MECPL's components are covered under Section 232, wherein only 25% tariff is applicable on its exports to the US.

However, as indicated by the management, most of the company's exports to the US are on ex-works payment terms, wherein the customers are liable to pay external costs of transportation, freight, duties etc., thus insulating it from tariff-related cost pressure. Only a minor portion of sales (estimated at less than 5%) are on non-ex-works payment terms, wherein the payment of the duties is to be borne by the company. However, these duties are to be reimbursed by the customers on a quarter-on-quarter basis, thereby mitigating any possible impact of the latest tariffs on MECPL's operating profitability. Moreover, the substitution risk for domestic auto component manufacturers supplying to the US-based original equipment manufacturers (OEM) and tier-1 suppliers are low owing to elongated product development cycle and approval/ trial processes.

MECPL's performance remained stable in 4M FY2026, with sustenance of its operating profit margin (OPM) at around 21% and its adequate liquidity position, marked by a cushion of Rs. 50 crore against the sanctioned working capital limits and Rs. 5 crore of free cash and bank balances as of July 2025, supporting its credit profile. Additionally, the company's established business position in the aluminium automotive component die casting industry, established relations and healthy share of business with its customers further provide comfort to withstand any implication arising out of the ongoing trade environment. Nonetheless, ICRA will continue to monitor the evolving trade scenario and its implications on MECPL's credit profile.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position and Rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto component
Parent/Group support	Not applicable.
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of MECPL. Refer to the Annexure-II for the list of entities considered for consolidation

About the company

MECPL commenced commercial production in 2003 and is involved in manufacturing aluminium alloy, precision HPDC and gravity die castings (GDC) components, which find applications in automotive and non-automotive industries. The company has been promoted by Mr. Shailesh Arora, who currently holds a 33% stake with a majority (67%) stake held by Fairfax India (a part of the Fairfax Financial Holdings Group). Fairfax India had acquired a 51% stake in MECPL in November 2021, which was subsequently increased to 67% in September 2022. MECPL operates from its manufacturing units in Manesar (Haryana) and Jaipur (Rajasthan).

Key financial indicators (audited)

MECPL – Consolidated	FY2024	FY2025*
Operating income	711.7	861.8
PAT	52.4	69.5
OPBDIT/OI	21.5%	21.1%
PAT/OI	7.4%	8.1%
Total outside liabilities/Tangible net worth (times)	1.4	1.3
Total debt/OPBDIT (times)	2.4	2.3
Interest coverage (times)	6.2	6.3

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; *Provisional; 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

Instrument	Type	Current ratings (FY2026)					Chronology of rating history for the past 3 years					
		Amount Rated (Rs. crore)	FY2026		FY2025		FY2024		FY2023			
			Date	Rating	Date	Rating	Date	Rating	Date	Rating		
Fund-based – Term loan	Long term	498.15	19-Sept-2025	[ICRA]A+ (Stable)	12-May-2025	[ICRA]A+ (Stable)	05-April-2024	[ICRA]A+ (Stable)	-	-	20-Mar-2023	[ICRA]A+ (Stable)
Fund based – Cash Credit	Long term	253.40	19-Sept-2025	[ICRA]A+ (Stable)	12-May-2025	[ICRA]A+ (Stable)	05-April-2024	[ICRA]A+ (Stable)	-	-	20-Mar-2023	[ICRA]A+ (Stable)
Unallocated	Long term/ Short Term	100.00	19-Sept-2025	[ICRA]A+ (Stable)/ [ICRA]A1	12-May-2025	[ICRA]A+ (Stable)/ [ICRA]A1	05-April-2024	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	20-Mar-2023	[ICRA]A+ (Stable)/ [ICRA]A1

Complexity level of the rated instrument

Instrument	Complexity indicator
Long-term – Fund-based limits – Term loan	Simple
Long-term – Fund-based limits – Cash Credit	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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Long-term – Fund-based limits – Term loan	FY2022- FY2025	6.50-9.00%	FY2027- FY2033	498.15	[ICRA]A+ (Stable)
NA	Long-term – Fund-based limits – Cash Credit	-	-	-	253.40	[ICRA]A+ (Stable)
NA	Long term/Short term - Unallocated	NA	NA	NA	100.00	[ICRA]A+ (Stable)/[ICRA]A1

Source: Company data

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

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Maxop Synergies Private Limited	100.00%	Full Consolidation
Maxop Engineering USA Inc.	100.00%	Full Consolidation

Source: Company

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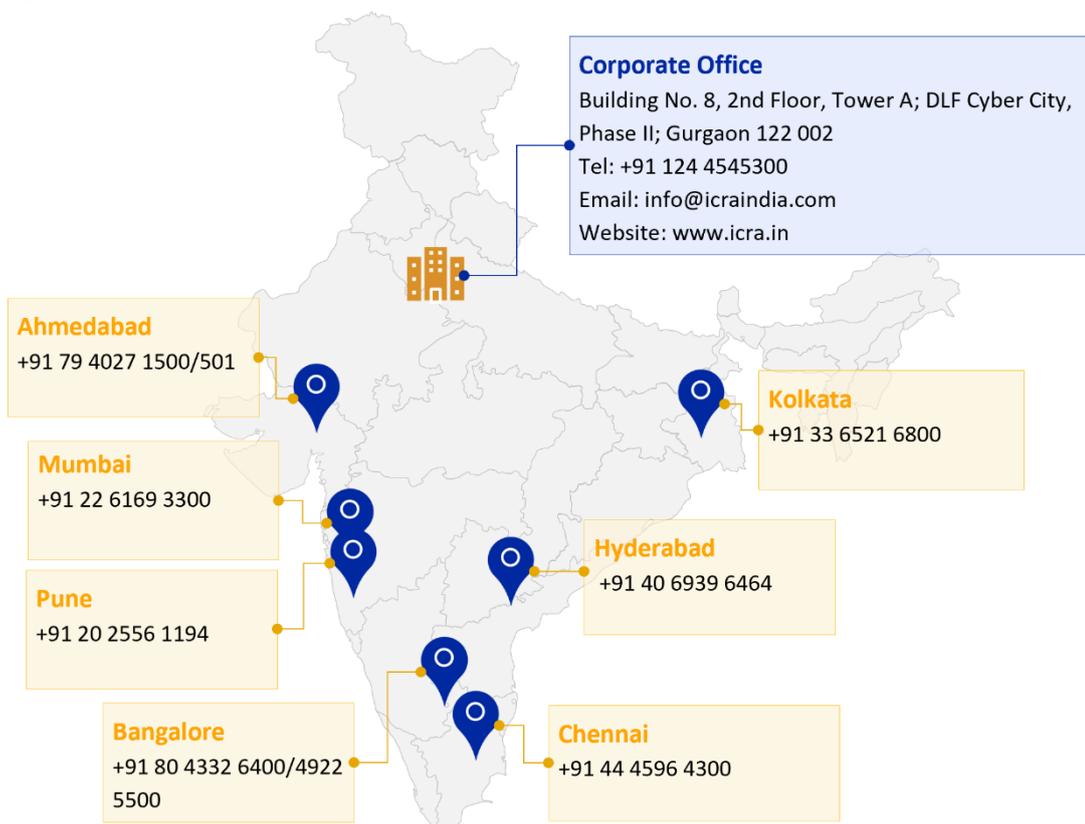


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