October 24, 2025

Milacron India Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based	13.00	0.00	-
Short term – Non-fund based	30.00	0.00	-
Long term and short term – Fund based/Non-fund based	0.00	52.00	[ICRA]A+ (Stable)/[ICRA]A1; reaffirmed
Long term and short term – Unallocated limits	36.00	27.00	[ICRA]A+ (Stable)/[ICRA]A1; reaffirmed
Total	**79.00**	**79.00**	

**Instrument details are provided in Annexure I*

Rationale

The reaffirmation of the ratings reflects Milacron India Private Limited's (MIPL) established market position in the injection moulding machine segment, supported by strong brand equity and a diversified customer base. The company continues to maintain a sound financial risk profile, characterised by a conservative capital structure and robust debt protection metrics, underpinned by healthy margins and minimal reliance on external borrowings. MIPL is also expected to benefit from the imposition of anti-dumping duties on imports from China and Taiwan, which should support domestic sales growth.

However, the recent group-level restructuring resulting in the divestment of Mold Masters and DME India has impacted the FY2025 performance, with a modest revenue growth of 3% YoY. The profitability was further weighed down by the ongoing royalty obligations and elevated interest costs due to the extended CCD conversion. Nevertheless, the turnover is expected to witness growth in FY2026, aided by favourable policy support and stable demand conditions and reduction in royalty payments, going forward.

MIPL's presence in the export markets provides geographical diversification and supports optimal utilisation of the manufacturing capacity. However, it also exposes the profitability to foreign exchange volatility, which is partly mitigated by the natural hedging via imports and the use of forward contracts. Continued technology support from the parent, Milacron Marketing Company LLC, enables periodic product upgrades and helps sustain MIPL's competitive positioning. The company also benefits from minimal reliance on working capital borrowings, translating into comfortable coverage metrics.

Nevertheless, the ratings remain constrained by the inherent cyclicality of the end-user industries, margin sensitivity to input cost fluctuations and significant upstreaming of cash flows to the parent through dividends and royalty payments, which has weighed down on the liquidity. While the discontinuation of HOM royalty has eased the margin pressure, any material dividend outflows impacting the liquidity will remain a key monitorable.

The Stable outlook on the [ICRA]A+ rating reflects ICRA's expectation of MIPL's established position in the injection moulding machinery segment and the imposition of ADD is likely to generate comfortable cash flows, keeping the credit profile comfortable in the absence of any external debt.

Key rating drivers and their description

Credit strengths

Established position in injection moulding machine industry with growth in machine sales and anti-dumping duty support - MIPL has exhibited a strong and consistent growth trajectory in machine sales, rising from around 100 units in the early 2000s to 450-500 units annually during FY2007–FY2009, and further scaling up to approximately 2,100 units in FY2025. This sustained growth underscores MIPL's robust market positioning and operational scalability.

As of July 2025, the company maintained a healthy order book of around Rs. 364 crore, with execution expected over the next three to four months providing clear near-term revenue visibility. MIPL's machines are widely recognised for their high productivity, precision and energy efficiency, which have significantly bolstered its domestic brand strength.

The company's growth has also been supported by technology transfer and procurement assistance from its parent, Milacron, enhancing the product capabilities and competitiveness. Further, the reimposition of anti-dumping duties (ADD) on injection moulding machines imported from China and Taiwan effective June 2025 offers a strategic advantage. With duties ranging from 27% to 65%, this move is expected to curb unfair pricing practices and restore market balance, thereby boosting the domestic demand for Milacron's products.

While pricing pressures may limit margin expansion, the ADD is likely to drive volume growth and reinforce MIPL's position in the domestic market over the medium term.

Presence across wide end-user segments and tonnage capacity requirements; diversified customer base – MIPL's moulding machines cater to OEMs and component suppliers across diverse end-user industries such as packaging, construction, automotive, consumer durables, medical equipment, and electricals. The company offers a wide product range with clamping capacities from 30 MT to 3,200 MT, supporting varied industrial applications.

Its customer base is well-diversified, with the top 10 customers contributing less than 20% of revenues in FY2025. Additionally, low average machine sales per customer (2–3 units) mitigate the customer and debtor concentration risks.

Comfortable financial risk profile – MIPL reported sales of Rs. 1,357 crore in FY2025, reflecting a modest 3% YoY growth (excluding the Mold Masters division). The performance was impacted by business restructuring at the group level, including the transfer of the Mold Masters and DME India divisions, which reduced the business scope. Continued HOM royalty payments until February 2025 impacted the operating profits, while delayed CCD conversion led to elevated interest costs, further affecting the net cash generation.

The Mold Masters division contributed ~Rs. 300 crore to the revenue and Rs. 80-84 crore to the PBT in FY2025; its exit will impact MIPL's top line and margins. Nonetheless, the company maintains a comfortable financial risk profile, supported by a comfortable capital structure (gearing of 1.55x) and strong debt coverage metrics (TD/OPBDITA of 1.89x and interest coverage of 4.82x), which are expected to improve with the conversion of CCD to equity.

Credit challenges

Group restructuring resulted in hive off of relatively more profitable business along with sizeable dividend payout - The recent restructuring within the Milacron Group, including the transfer of the Mold Masters and DME India divisions, will impact revenue and PBT going forward. Mold Masters contributed ~Rs 300 crore in revenue and Rs 80-84 crore in PBT in FY2025, and its profit has been reported as discontinued operations, being part of Milacron India till March 31, 2025. Additionally, MIPL recorded a substantial dividend payout of Rs. 443 crore in FY2025, of which Rs. 291 crore was contributed by Milacron India and the remainder by the Mold Masters division prior to its transfer. This elevated payout was strategically driven by Hillenbrand Inc., which aimed to repatriate cash ahead of the restructuring and ownership transition to Bain Capital. In FY2026, the company declared an additional dividend of Rs. 53 crore (Rs 45 crore net of TDS) in August. No further dividends are expected for the current fiscal year. Looking ahead, the dividend payouts may moderate, especially under Bain Capital's private equity ownership model, which typically emphasises long-term value creation over short-term cash extraction.

Margins vulnerable to fluctuation in input prices and forex rates - The company's profitability remains susceptible to the fluctuation in raw material prices as they form a major portion (~70%) of the total cost. The foreign exchange risk on imports is mitigated through a hedging policy, though the company keeps its position open to some extent, backed by external and internal market research opinion. A large part of the forex risk is naturally hedged through its export realisations in foreign currencies. However, the long production cycle can result in currency exposure, if kept unhedged.

Demand dependent on capex cycles of end-user industries - While MIPL has a diversified end-user industry base, its sales are exposed to the cyclicality of the capex cycles of these industries. From time to time, demand from some key user industries slows down. Notwithstanding this, the company's presence across diverse end-user segments mitigates this risk to a large extent.

Liquidity position: Adequate

MIPL's liquidity profile is adequate, aided by comfortable cash flow generation and availability of free cash and bank balance of around Rs. 25.55 crore as on March 31, 2025. The liquidity is further aided by MIPL's debt-free status and limited capex plans, going forward. However, the company's cash flow position might be impacted negatively in case of high dividend payments to its parent, going forward.

Rating sensitivities

Positive factors – MIPL's ratings may be upgraded if it demonstrates a healthy growth in turnover, while maintaining strong liquidity and debt protection metrics.

Negative factors – Significant financial support to the parent company through dividend distribution or any other mode that impacts the liquidity position may exert pressure on the ratings. Further, the ratings could be downgraded if there is a sustained decline in revenue or profit margins, thereby weakening the debt coverage metrics.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the company's standalone financial profile

About the company

Milacron India Private Limited (MIPL) is a leading manufacturer of injection moulding machines and plastic processing technologies, headquartered in Ahmedabad, Gujarat. Initially established as a joint venture, MIPL became a wholly-owned subsidiary of Milacron LLC, USA, and later underwent significant structural changes. In 2019, Milacron Holdings Corp. was acquired by Hillenbrand Inc. in a transaction valued at approximately $1.9 billion, marking a major shift in ownership.

More recently, in April 2025, Hillenbrand transferred 51% of its global Milacron business to Bain Capital, forming a joint venture with Bain now overseeing the day-to-day operations. As a part of this global realignment, the Mold Masters and DME India divisions were separated from MIPL's legal entity. Despite these transitions, MIPL continues to operate with a strong manufacturing base at Vatva, Ahmedabad, with an annual capacity of around 3,000 moulding machines, serving the plastics industry with advanced and reliable solutions.

Key financial indicators (audited)

	FY2024	FY2025
Operating income	1,318.3	1,368.8
PAT	130.3	108.8
OPBDIT/OI	9.3%	8.1%
PAT/OI	9.9%	7.9%
Total outside liabilities/Tangible net worth (times)	1.3	4.4
Total debt/OPBDIT (times)	1.8	1.9
Interest coverage (times)	5.3	4.8

Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; 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 (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Oct 24, 2025	Date	Rating	Date	Rating	Date	Rating
Fund based - Cash credit	Long term	0.00	-	29-Oct-2024	[ICRA]A+ (Stable)	29-Aug-2023	[ICRA]A+ (Stable)	07-Jul-2022	[ICRA]A+ (Stable)
Non-fund based - Letter of credit/Bank guarantee	Short term	0.00	-	29-Oct-2024	[ICRA]A1	29-Aug-2023	[ICRA]A1	07-Jul-2022	[ICRA]A1
Unallocated limits	Long term/Short term	27.00	[ICRA]A+ (Stable)/ [ICRA]A1	29-Oct-2024	[ICRA]A+ (Stable)/ [ICRA]A1	29-Aug-2023	[ICRA]A+ (Stable)/ [ICRA]A1	07-Jul-2022	[ICRA]A+ (Stable)/ [ICRA]A1
Fund based/Non-fund based	Long term/Short term	52.00	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long term and short term – Fund based/Non-fund based	Simple
Long term and short term – Unallocated limits	Not Applicable

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	**Fund based/Non-fund based**	NA	NA	NA	52.00	[ICRA]A+ (Stable)/[ICRA]A1
NA	**Unallocated limits**	NA	NA	NA	27.00	[ICRA]A+ (Stable)/[ICRA]A1

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not Applicable

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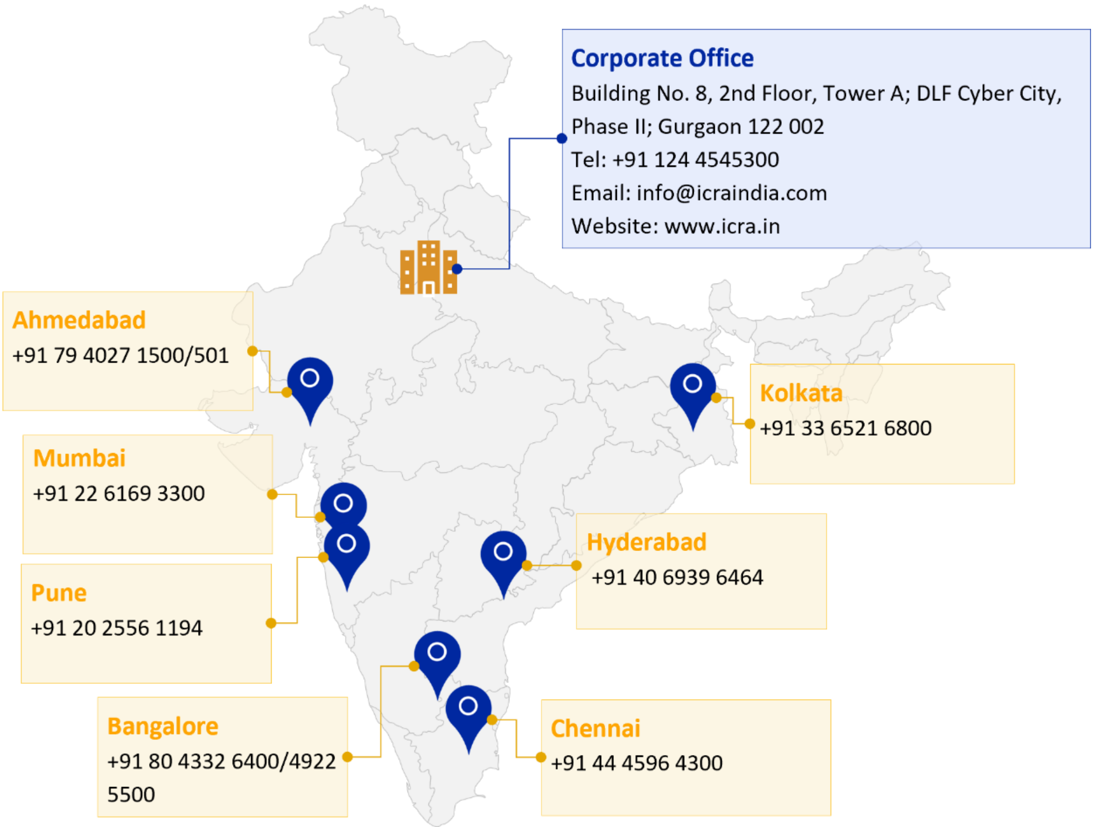

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