

March 24, 2026

Machino Polymers Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash Credit	48.50	-	-
Short-term – Non-fund based – Letter of Credit	1.50	-	-
Long-term/Short-term – Fund-based/ Non-fund based Limits	145.00	145.00	[ICRA]A-(Stable)/[ICRA]A2+; reaffirmed
Total	195.00	145.00	

*Instrument details are provided in Annexure I

Rationale

The ratings reaffirmation for Machino Polymers Limited (MPL) factors in the established operational track record and extensive experience of its promoters in the polypropylene (PP) compounds business for the domestic automotive market. MPL is a leading supplier of PP compounds to the original equipment manufacturers (OEMs) in the automotive industry, specifically passenger vehicles (PVs) and two-wheelers (2Ws), with limited presence in the white goods segment. Leveraging the same, MPL has developed a wide customer base of reputed tier-1 auto ancillaries that cater to leading automotive OEMs such as Maruti Suzuki India Limited (MSIL), Hyundai Motor India Limited (HMIL), Toyota Kirloskar Motor Private Limited (TKM), Tata Motors Limited (TML) and Honda Motorcycle and Scooter India Private Limited (HMSI). MSIL, the market leader in the PV segment, indirectly accounts for 50-60% of MPL's revenues. Established relationships with its customers have resulted in repeat order inflow over the years, driving the company's revenue growth. The ratings also factor in MPL's comfortable financial risk profile, marked by a comfortable capital structure, healthy debt protection metrics and adequate liquidity profile. The company's revenue grew by 13% to Rs. 1,016.4 crore in FY2025, supported by a healthy volume growth, capacity expansion and repeat business from customers. Sustaining the momentum, MPL has reported revenues of Rs. 939 crore in 10M FY2026. Moreover, higher earnings coupled with no material increase in debt levels has continued to result in healthy debt protection metrics for the company.

However, the ratings remain constrained by the vulnerability of MPL's profitability to fluctuations in prices of key raw materials in the interim period, despite the provision of raw material cost pass-through with a lag of one quarter with most customers. The company's operations are working capital intensive in nature and remain exposed to the industry's intense competition, entailing limited value addition. Moreover, MPL is exposed to the foreign currency fluctuation risk as a sizeable part of its raw materials is imported. However, MPL has a hedging policy and hedges its forex exposure on a regular basis. MPL sources a substantial share of its key raw materials from West Asia. ICRA notes that despite the ongoing geopolitical tensions in the region, the company has not experienced any supply disruption till now. Nonetheless, a prolonged escalation could adversely impact the supply chain and heighten price volatility for these raw materials. Thus, the impact of the same on MPL's operations and profitability, will remain a key monitorable. The company also remains exposed to high customer concentration risk as its top customer, MSIL, accounts for 60-65% of its revenue (routed through tier-1 suppliers). However, its high share of business and strong relationships with its customers mitigate the same to a large extent.

The Stable outlook on the long-term rating reflects ICRA's opinion that MPL will continue to benefit from its established business position, healthy relationships with key customers, and steady demand from major end-user industries.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters and MPL's established market position as a leading domestic supplier of PP compounds to tier-1 auto component manufacturers – Incorporated in 1996, MPL is a leading manufacturer of PP compounds for the automotive industry. The company has been promoted by the Jindal family, which have an extensive experience of more than three decades in the business. MPL maintains its market position through its plants in Gurgaon (Haryana), Ahmedabad (Gujarat) and Chennai (Tamil Nadu) across North, West and South India, respectively, with a total installed annual manufacturing capacity of around 1,45,000 MT.

Customer base includes reputed tier-1 suppliers – MPL benefits from healthy relationships with a diversified base of reputed tier-I auto ancillary customers — including Krishna Maruti Group, Motherson Sumi Systems Limited, PPAP Automotive Limited, Sun Vacuum Formers Private Limited and Bharat Seats Limited, among others—which, in turn, cater to leading automotive OEMs such as MSIL, HMIL, HMSI and TML, among others. The company is also a leading supplier of PP compounds to MSIL, routed through the latter's tier-I vendor network, and enjoys a healthy share of business with these customers.

Adequate financial risk profile – MPL's financial risk profile remains adequate, characterised by a steady scale-up in revenues, healthy operating profitability and modest leverage. Besides, the revenues grew by 13% on a YoY basis in FY2025, and the growth momentum sustained in FY2026, aided by capacity expansion and repeat order inflows. Timely receipt of price escalation compensation and prudent foreign exchange risk management supported a turnaround in margins, reflected in an OPM of 8.1% in FY2025 vis-à-vis 6.6% in FY2024. Limited reliance on external debt, together with healthy cash accruals, has translated into improved debt coverage indicators. The company's liquidity continues to remain adequate. The absence of major debt-funded capex plans, along with steady accrual generation, is expected to support a comfortable capital structure and coverage metrics for the company.

Credit challenges

Vulnerability of profitability to fluctuations in raw material prices and forex rates – MPL's operating margins remain vulnerable to fluctuations in prices of key raw materials — PP and elastomers — sourced domestically and through imports. While a pass-through arrangement exists with customers, the lag in the pass-through exposes the company's profitability to interim adverse movements in input costs. Sizeable import dependence further renders the margins susceptible to foreign currency fluctuations, notwithstanding the company's hedging policy and prudent forex risk management.

Intense competition in the industry limits pricing flexibility – MPL's nature of operations are exposed to intense competition, facing pressure from several global and domestic suppliers of PP, limiting its pricing flexibility and entailing relatively lower value addition. However, it benefits to an extent from its extensive operational track record and established relationships with its key customers, with which it enjoys a sizeable share of business.

High customer concentration risk – The company's revenue profile is characterised by high customer concentration, with the top-10 customers accounting for 55-60% of revenues and MSIL indirectly contributing 60-65% to the same. This concentration has moderated in recent years and is expected to decline further over the medium term with the addition of new customers (OEMs serviced indirectly through tier-I ancillaries) and increased contribution from the non-auto segments. However, the dependence remains elevated at present, with the sales mix comprising 70-75% passenger vehicles, about 15% two-wheelers and 5% white goods in FY2025. Exposure towards the white goods industry is expected to rise gradually as MPL expands its capacity.

Working capital intensive nature of operations – The company's operations remain working capital intensive, reflected in NWC/OI of 20-25%, given a wide product range, multiple manufacturing facilities and import dependence. The receivable cycle stands at 80-90 days, supported by vendor credit of 60-80 days and bank working-capital lines, while the inventory cycle has improved to 50-60 days from 80-90 days earlier. Incremental funding needs arising from the anticipated growth are expected to be met through internal accruals and sanctioned working capital limits.

Liquidity position: Adequate

MPL's liquidity is adequate, supported by free cash and bank balances/liquid investments of Rs. 7 crore and average unutilised limits of Rs. 40-50 crore against its drawing power, as of February 28, 2026. The company is expected to incur capex of Rs. 70-80 crore over FY2026-FY2028 towards capacity expansion as well as setting up a greenfield facility in Haryana. The same is expected to be funded completely through internal accruals. Healthy cash flow generation coupled with no major debt repayment liability in the near-to-medium term, are likely to further support MPL's liquidity profile.

Rating sensitivities

Positive factors – ICRA could upgrade MPL's ratings if there is a substantial growth in revenues and improvement in the operating margins, strengthening its debt protection metrics and liquidity profile. Specific credit metrics that could lead to an upgrade of MPL's ratings include Total Outside Liabilities/Total Net Worth (TOL/TNW) of less than 1.5 times on a sustained basis.

Negative factors – Pressure on the ratings could arise due to a deterioration in the margins or an increase in the leverage. A specific trigger for ratings downgrade could be Total Debt/OPBDITA of more than 1.8 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Auto Components
Parent/Group support	Not applicable.
Consolidation/Standalone	ICRA has considered the consolidated financials of MPL for arriving at the ratings. As on March 31, 2025, the company had two subsidiaries, which are enlisted in Annexure-II.

About the company

MPL manufactures PP composite materials and alloys for various automotive OEMs and tier-1 auto component manufacturers of bumpers, instrument panels and trims, among others. The company's manufacturing facilities are in Gurgaon, Ahmedabad, Chennai, and the UAE, with a total installed production capacity of 1,45,000 MT per annum. MPL is entirely held by the promoters (Jindal family) and promoter group companies (Machino Group). The PP compounds supplied by the company to tier-I suppliers find application in bumpers, instrument panels (IP), and trims of automobiles.

Key financial indicators (audited)

MPL – Consolidated	FY2024	FY2025
Operating income	900.7	1016.4
PAT	40.0	50.7
OPBDIT/OI	6.6%	8.1%
PAT/OI	4.4%	5.0%
Total outside liabilities/Tangible net worth (times)	1.5	1.1
Total debt/OPBDIT (times)	2.1	1.2
Interest coverage (times)	4.5	7.6

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 ratings (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Mar 24, 2026	Date	Rating	Date	Rating	Date	Rating
Fund based – Cash Credit	Long term	-	-	Jan 29, 2025	[ICRA]A-(Stable)	Oct 16, 2023	[ICRA]BBB+(Stable)	Nov 22, 2022	[ICRA]A-(Stable)
Non fund based – Letter of Credit	short Term	-	-	Jan 29, 2025	[ICRA]A2+	Oct 16, 2023	[ICRA]A2	Nov 22, 2022	[ICRA]A2+
Fund based/Non fund-based Limits	Long term/Short term	145.00	[ICRA]A-(Stable) / [ICRA]A2+	Jan 29, 2025	[ICRA]A-(Stable)/[ICRA]A2+	Oct 16, 2023	[ICRA]BBB+(Stable)/[ICRA]A2	Nov 22, 2022	[ICRA]A-(Stable)/[ICRA]A2+
Unallocated Limits	Long term/Short term	-	-	-	-	-	-	Sep 08, 2022	[ICRA]A-(Stable)/[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term/Short-term – Fund based/Non fund-based Limits	Simple

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 Limits	NA	NA	NA	145.00	[ICRA]A-(Stable)/[ICRA]A2+

Source: Company data

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Annexure II: List of entities considered for consolidated analysis

Company name	MPL ownership	Consolidation approach
Artemis FZ LLC	100.00%	Full Consolidation
Comp Tech FZ LLC	100.00%	Full Consolidation

Source: Company data

ANALYST CONTACTS

Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Kinjal Shah

+91 022 6114 3442

kinjal.shah@icraindia.com

Deepak Jotwani

+91 124 4545 870

deepak.jotwani@icraindia.com

Shubham Gupta

+91 124 3535 399

shubham.gupta2@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



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