

Mayur Uniquoters Limited

November 27, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	5.90 (Reduced from 10.80)	CARE AA; Stable	Reaffirmed
Long-term / Short-term bank facilities	65.00 (Reduced from 67.00)	CARE AA; Stable / CARE A1+	Reaffirmed
Short-term bank facilities	20.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to bank facilities of Mayur Uniquoters Limited (MUL) continue to derive strength from around five decades of experience of its promoter in the artificial leather industry, MUL's strong market position in the organised segment of polyvinyl chloride (PVC) coated fabric, and wide product portfolio with diverse industry applications. Ratings are also strengthened by established and reputed clientele and product approvals from leading domestic and global automotive original equipment manufacturers (OEMs) with strong entry barriers.

Ratings also factor MUL's presence in OEM and automotive replacement market, footwear and furnishing segments, and its focus on high-margin value-added products in domestic and export markets. Ratings are supported by its product development capabilities and backward integration, which support healthy profitability margins. Ratings further reflect MUL's healthy capital base and negligible reliance on external debt leading to comfortable leverage and debt coverage indicators, and its strong liquidity.

However, rating strengths are tempered by susceptibility of MUL's profitability to volatile raw material prices and foreign currency fluctuation and elongated working capital cycle. Ratings also take cognisance of persistent under-utilisation of polyurethane (PU) coated fabric capacity due to delay in the ramp-up of operations, which continues to constrain profitability and return ratios.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in its total operating income (TOI) to beyond ₹1,200 crore through greater geographical and product diversification, while maintaining its return on capital employed (ROCE) of 25% from core operations, healthy profit before interest, lease rentals, depreciation and taxation (PBILDT) margin and comfortable leverage and debt coverage indicators.
- Contraction in its gross working capital cycle to less than 90 days on a sustained basis.

Negative factors

- Decline in the PBILDT margin below 18% on a sustained basis and moderation in its debt coverage indicators.
- Deterioration in the overall gearing beyond 0.50x on a gross debt basis.
- Negative cash flow from operations on a sustained basis.

Analytical approach: Consolidated

CARE Ratings Limited (CareEdge Ratings) has considered MUL's consolidated financials including its subsidiaries, as its subsidiaries are primarily set-up for undertaking marketing and distribution of MUL's products in different foreign geographies. Being MUL's marketing arm, there is also cash flow fungibility with its subsidiaries. Subsidiaries whose financials have been consolidated in MUL are listed under Annexure-6.

Outlook: Stable

Stable outlook reflects that MUL is likely to maintain its market position, which coupled with strong and reputed clientele across a diverse end-user industry and strong entry barriers, should enable it to sustain its financial risk profile in the medium term.

Detailed description of key rating drivers:

Key strengths

Vast experience of promoters in the artificial/synthetic leather industry

Suresh Kumar Poddar, Chairman, Managing Director and Chief Executive Officer (CEO) of MUL, has ~five decades of expertise in the trading and manufacturing of artificial leather. Under his leadership, the company's operations including production,

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marketing, and strategic planning have strengthened significantly. He has played a pivotal role in driving the successful adoption of advanced inventory management practices and cost-optimization initiatives such as total quality management (TQM), total productive maintenance (TPM), and enhanced research and development (R&D) programmes. Mr. Arun Kumar Bhagaria (Executive Director and son-in-law of Mr. Suresh Poddar), has over 10 years of similar experience and is actively involved in managing the business. Presently, Mr. Manav Poddar, son of Mr. Suresh Poddar does not hold a board position and is not involved in business operations. However, the top management is supported by well-qualified functional heads.

Leader in the organised segment of the domestic artificial/synthetic leather industry

MUL has the largest installed capacity for manufacturing synthetic leather in the domestic organised segment with a capacity of 486 lakh linear metres per annum (LLMPA) of PVC-coated fabric and 50 LLMPA of PU coated. MUL manufactures over 400 variants of artificial leather from PVC polymer, which finds application in footwear (shoes and sandals in-sole and uppers), automotive (seat upholstery, door trims, steering wheel covers, and inner linings, among others), furnishing (sofa, chair, and cushion cover, among others), fashion items (apparel, bag and belts, among others) and leather goods. In FY23 (April 01 to March 31), MUL forayed in the retail furnishing business, which accounts for ~40% of the synthetic leather market under the brand name "Texture and Hues", through its wholly owned subsidiary Mayur TecFab Private Limited. The company has built network of ~750 dealers as on November 2025.

Strong and reputed clientele across diverse end-user industries with strong entry barriers

MUL serves a well-diversified and reputed clientele across multiple industries, meeting the synthetic leather requirements of leading global and domestic brands. Its end-customer includes prominent automotive manufacturers such as BMW, Mercedes-Benz, Chrysler, Ford, Hyundai, MG, KIA, Maruti Suzuki, Tata Motors, Toyota, Mahindra & Mahindra, ISUZU, Suzuki, Honda, Renault, Volkswagen, Stellantis, as well as two-wheeler leaders including Hero, Bajaj, Royal Enfield, TVS and Piaggio. In the footwear segment, the company supplies to established names including Bata, Paragon, Lancer, Action and Relaxo. MUL enjoys long-standing relationships with most of these customers, supported by its strong track record of quality and reliability. MUL supplies materials to OEM-approved vendors, who in turn deliver the final components to the manufacturers. Owing to its consistent product quality and timely delivery, MUL is among the few Asian companies approved as a vendor by global automotive OEMs such as Ford (USA), Chrysler (USA), Mercedes-Benz (South Africa) and BMW. In FY25, exports contributed ~35% of consolidated revenue (FY24: 31%). Share of exports is further expected to increase to over 45-50% in the medium term.

Obtaining product approvals from major global automobile OEMs is a lengthy and capital-intensive process, typically taking 2-3 years before supplies commence. Consequently, the business has high entry barriers, as OEMs rarely switch suppliers once a product is approved unless the respective car model is discontinued.

In-house product development, adequate backward integration, and focus on high-margin products

Over the years, MUL has consistently maintained healthy operating profit margins of ~20-22% despite operating in a largely fragmented and unorganised synthetic leather industry supported by its strong focus on in-house product development and innovation, adequate backward integration, and a focus on high-margin product segments across domestic and export markets. The company possesses sufficient in-house capacity for the production of knitted fabrics used in automotive exports, which, with other value-added processes such as printing, embossing, and lamination, enhances cost efficiency, quality control, and supply consistency, strengthening customer retention and stickiness.

Production volumes of artificial leather have grown over the past few years, aided by growth in demand from the footwear and automotive sectors and addition of marquee clients. Capacity utilisation has shown a steady improvement and is expected to increase further in the medium term. With the improvement in capacity utilisation and better product mix, CareEdge Ratings expects the company's operating profitability (PBILDT) margin to remain healthy at ~22% in the medium term.

Growth in scale of operations with improved profitability margin in FY25

On a consolidated basis, MUL's TOI has grown at compound annual growth rate (CAGR) of ~10% for three years ended FY25. Growth was supported by an increase in sales volume and improvement in average sales realisations. With increased sales volume, favourable product mix, and effective cost-control measures, PBILDT margin improved by 232 bps to 22.76% in FY25 (FY24: 20.45%). Despite slow ramp up in PU operations, growth in high margin automotive exports supported overall operating profitability margin. With largely stable interest cost and depreciation charge, net profit and gross cash accruals (GCA) increased to ₹149 crore (FY24: ₹122 crore) and ₹178 crore (FY24: ₹151 crore) respectively in FY25. Consequently, return on capital employed (ROCE) also improved to ~22% in FY25 (FY24: ~19%). However, overall return indicators impacted as ~40% of MUL's total capital employed comprises liquid investments, which yield relatively lower returns.

In H1FY26, MUL's consolidated TOI improved on a y-o-y basis due to addition of new customers across segments and higher off-take from existing OEMs. Although the PBILDT margin moderated by 119 bps to 20.49% in H1FY26 compared to H1FY25 primarily due to one-time provision of ₹10 crore for old inventory.

As informed by the management, MUL is not much impacted by tariffs imposed by the US Government, as MUL supplies its material to cutting and stitching unit of seat cover manufacturers in Mexico and has very low direct exports to the US. CareEdge Ratings expects MUL's TOI to grow by 10-12% in the near-to-medium term supported by addition of new clients/models, sustained demand growth in key end-user industries and progressive ramp-up of PU operations and retail furnishing business.

Strong financial risk profile

On a consolidated level, MUL's capital structure continued to remain comfortable marked by an overall gearing ratio of 0.01x as on March 31, 2025, backed by its healthy capital base of ₹962 crore as on date and negligible reliance on external debt. The company's capital structure is expected to remain comfortable due to healthy cash flow generation. Moreover, debt coverage indicators marked by PBILDT interest coverage and total debt to GCA (TD/GCA) continued to improve and remain strong in FY25, backed by negligible debt levels and healthy profitability. Debt coverage indicators are expected to remain strong due to healthy profitability and cash accruals.

Key weaknesses

Elongated working capital cycle restricts operating cash flow to an extent

MUL's operations remain working capital intensive marked by an operating cycle of 150 days in FY25 due to continued high inventory holding. The company maintains two to three months of raw material inventory for smooth production due to lead time involved in import of some raw materials. Export sales entail a lead time of around two months and up to 15 days of finished goods inventory in overseas market, which results in elevated inventory requirements. The company extends a credit period of ~30-90 days to its customers. With increase in automotive exports, the operating cycle is expected to remain elongated in the near-to-medium term.

According to the management, a manufacturing plant near client location can reduce working capital requirement. The company is evaluating a capacity expansion for PVC fabric through a greenfield project, with potential locations under consideration in south India and Mexico to better serve its existing and prospective clients. The final decision on the plant location is yet to be concluded, as the company is currently assessing implications of the US tariff. The management also informed that project implementation is expected to 1-2 years, once it starts.

Increasing working capital requirement has adversely impacted its operating cash flow, which remained at ~₹450 crore (cumulative for five years ended FY25), against a cumulative PBILDT of ₹774 crore and a cumulative GCA of ₹678 crore over this period. However, despite restricted cash flow from operations, MUL's reliance on external debt has remained low, as the majority incremental working capital requirements are being funded by internal accruals.

Susceptibility of profitability volatile to raw material prices and foreign currency fluctuations

Of MUL's raw materials, ~70-80% are crude oil derivatives, making their prices susceptible to fluctuations in international crude oil rates. To reduce the impact of such volatility, MUL enters into medium-term contracts with its suppliers. As a market leader, MUL possesses strong bargaining power, enabling it to pass on increases in raw material costs to its customers. This has helped the company maintain a stable gross margin of ~40% for five years ended FY25. While MUL remains exposed to foreign exchange fluctuations due to significant import dependence (imports accounting for ~54% of total raw material requirements in FY25), the associated risk is largely offset by a natural hedge from its export revenues.

Continued under-utilisation of the PU-coated fabric project restricts profitability and return ratio

MUL has forayed into the manufacturing of PU-coated fabric, by commissioning one coating line under Phase I (comprising one wet and one dry line) with an installed capacity of 50 LLMPA. The company has also constructed the building and peripheral infrastructure to accommodate up to four coating lines, aligned with future expansion plans.

Compared to PVC-coated fabric, PU-coated fabric more closely resembles natural leather and commands better realisations. It finds applications across similar end-use industries, including footwear, fashion accessories, furnishings, and automotive upholstery. Currently, ~70-80% of India's PU-coated fabric demand is met through imports from China, with only a few domestic players having limited capacity. MUL views this as a cross-selling opportunity to its existing PVC fabric customer base.

Despite the imposition of anti-dumping duty (ADD) by the central government, capacity utilisation in MUL's PU division continues to remain below 25%. The company has deliberately focused on higher-value products and premium brand tie-ups rather than pursuing low-priced volume sales which supports profitability despite moderating the pace of ramp up in the price sensitive PU segment. Revenue from the PU segment is estimated ~₹30 crore for FY26 and with gradual product approvals from customers, revenue from the PU segment is expected to ramp up with a potential to reach ~₹100-125 crore in the medium term. Early stabilisation and ramp-up of the PU project shall support revenue growth, profitability, and return indicators.

Liquidity: Strong

Despite an elongated operating cycle, MUL's liquidity remains strong with a current ratio of 8.11x as of March 31, 2025, and Nil utilisation of fund-based working capital limits for 12-months ended September 2025. MUL had unencumbered liquid investments and a cash and bank balance aggregating to ₹384 crore as of March 31, 2025, significantly exceeding the company's total debt, resulting in a zero net debt position. MUL's liquidity is expected to remain strong, backed by healthy cash flow from operations and relatively lower capex.

Environment, social, and governance (ESG) risks

Parameter	Compliance and action by the company
Environment	- MUL is certified with ISO 14001:2015 (environmental management systems) and ISO 45001:2018 (occupational health and safety management systems) for integrated management system implementation. - MUL has planted over 300,000 trees in FY25 on 30 hectares of land. - MUL has installed ZLD plant at our Dhodsar Unit for reducing wastewater. - MUL has installed solar power systems of 490 KWP at its Dhodsar plant and 118.81 KWP at its Jaitpura plant, reflecting its ongoing efforts to reduce dependence on the power grid and enhance the share of renewable energy in its overall energy mix. It has generated 868 MWH of renewable energy. - Hazardous waste is disposed through a government-approved recycler.
Social	- Conducted vaccination programs in remote villages, programmes for improving school infrastructure and providing scholarships. Six new classrooms were constructed in Mahatma Gandhi Government School English Medium, Bhojlawala. - MUL conducts health check-ups at regular intervals to ensure well-being and safety of workforce which is of utmost importance. Total of 240 employees participated in the health camps, benefitting from comprehensive check-ups and necessary medications. - In FY25, MUL conducted training sessions on different sustainability topics including code of conduct, labour policies, and sustainability policies among others. Training was provided on 5S, Kaizen, Fire safety, industrial safety, hazard & risk, Chemical handling, MSDS, Emergency procedures and IATF practices. - MUL provided nutrition kits to 461 children through the Block Officers of Chomu Tehsil and Etawah Bhopji as part of the ICDS department's national program.
Governance	- MUL's board of directors consists of over 50% independent directors (four of six). - There are separate codes of conduct for board members and senior management personnel. - Various policies, including the whistle-blower policy, anti-bribery policy, and vigilance committee are in place, in line with the requirement. - Transparency in sharing of required information and consistency in adoption of accounting policies in preparation of financial statement also indicates fair governance practices.

Applicable criteria

[Consolidation](#)

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

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About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Consumer Durables	Consumer Durables	Leather And Leather Products

Incorporated in 1992 with commencement of operations in 1994 at Jaipur, Rajasthan, MUL (CIN: L18101RJ1992PLC006952) is engaged in manufacturing PVC-coated fabric and PU coated fabric, commonly known as artificial/synthetic leather. MUL is promoted by Mr. Suresh Kumar Poddar, Chairman, Managing Director and CEO, who has around five decades of experience in the trading and manufacturing of artificial leather.

MUL has two manufacturing facilities near Jaipur (one facility each at Jaitpura and another at Dhodsar) having an aggregate of seven coating lines (four at Jaitpura and three at Dhodsar) to manufacture artificial leather and backward integration for manufacturing knitted fabric. MUL has also forayed in manufacturing PU fabric in Monera, MP and started commercial production in January 2020.

MUL has been certified with ISO 9001, IATF 16949, ISO 45001, ISO 27001 and TISAX, it also follows VDA 6.3 and VDA 6.5 approach for process and product audits which demonstrates commitment towards designing and manufacturing artificial leather through the effective implementation of systems and continual improvement in all processes.

Brief consolidated financials (₹ crore)	FY24 (A)	FY25 (A)	H1FY26 (UA)
Total operating income	810	892	456
PBILDT	166	203	93
PAT	122	149	82
Overall gearing (times)	0.05	0.01	NA
Interest coverage (times)	64.18	115.51	141.64

A: Audited UA: Unaudited; NA: Not available; Note: these are latest available financial results

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

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	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-Term Loan	-	-	-	30/06/2027	5.90	CARE AA; Stable
Fund-based - LT/ ST-Cash Credit	-	-	-	-	5.00	CARE AA; Stable / CARE A1+
Fund-based/Non-fund-based-LT/ST	-	-	-	-	60.00	CARE AA; Stable / CARE A1+
Non-fund-based - ST-BG/LC	-	-	-	-	20.00	CARE A1+

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 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Term Loan	LT	5.90	CARE AA; Stable	-	1)CARE AA; Stable (06-Dec-24)	1)CARE AA; Stable (13-Nov-23)	1)CARE AA; Stable (31-Oct-22)
2	Non-fund-based - ST-BG/LC	ST	20.00	CARE A1+	-	1)CARE A1+ (06-Dec-24)	1)CARE A1+ (13-Nov-23)	1)CARE A1+ (31-Oct-22)
3	Fund-based - LT/ ST-Cash Credit	LT/ ST	5.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (06-Dec-24)	1)CARE AA; Stable / CARE A1+ (13-Nov-23)	1)CARE AA; Stable / CARE A1+ (31-Oct-22)
4	Fund-based/Non-fund-based-LT/ST	LT/ ST	60.00	CARE AA; Stable / CARE A1+	-	1)CARE AA; Stable / CARE A1+ (06-Dec-24)	1)CARE AA; Stable / CARE A1+ (13-Nov-23)	1)CARE AA; Stable / CARE A1+ (31-Oct-22)

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple
3	Fund-based/Non-fund-based-LT/ST	Simple
4	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Annexure-6: List of entities consolidated

Sr No.	Name of the entity	Extent of consolidation	Rationale for consolidation
1	Mayur Uniquoters Corp	Full	Wholly Owned Subsidiary
2	Futura Textiles Inc		
3	Mayur Uniquoters SA (Pty) Limited		
4	Mayur Techfab Private Limited		
5	UAB Futura Textiles Europe		

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.

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