Manika Plastech Limited

January 06, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	86.38 (Reduced from 102.06)	CARE BBB+; Positive	Reaffirmed; Outlook revised from Stable
Short-term bank facilities	1.00	CARE A2	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Reaffirmation in ratings assigned to bank facilities of Manika Plastech Limited (MPL) continues to derive strength from extensive experience of the promoters, established track record in the plastic moulded industry, long-standing relationship with reputed customers, and location advantage with proximity to key customers. Ratings further continue to derive strength from comfortable capital structure and debt coverage indicators.

However, ratings continue to be constrained by its moderate and fluctuating scale of operations with moderate profit margins, elongated working capital cycle, concentrated customer base, moderate project execution and stabilisation risk, and susceptibility of the profit margin to fluctuation in crude oil prices and foreign exchange rates.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant growth in scale of operations with diversification of product and customer base.
- Sustenance of profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 11%.
- Improvement in debt coverage indicators with total debt to PBILDT below 1.5x on a sustained basis.

Negative factors

- Decrease in the scale of operations marked by total operating income (TOI) reaching below ₹300 crore and/or PBILDT margin below 8% on a sustained basis.
- Any un-envisaged incremental borrowings leading to deterioration in its overall gearing exceeding 1x on a sustained basis.
- Deterioration in liquidity profile with inventory pile-up and/or stretch in receivables.

Analytical approach: Standalone

Outlook: Positive

Revision in outlook to "Positive" from "Stable" factors in CARE Ratings Limited's (CareEdge Ratings') expectation of increase in the scale of operations and improvement in profitability margins in the near-to-medium term on the back of increased capacities and increase in the revenue from higher margin products. As a result, financial risk profile of the company is also expected to improve in the near-to-medium term. The outlook may be revised to 'Stable' if the company is unable to increase its scale of operations and / or profitability at the envisaged levels.

Detailed description of key rating drivers:

Key strengths

Well-established track record and extensive experience of the promoters in the industry

MPL has an established track record of over two decades in the moulded packaging industry. Nikunj Kapadia, the founder of MPL, a first-generation entrepreneur, has over two decades of experience in the plastic moulding industry. He is supported by his sons and a qualified team of professionals with significant experience in their respective fields. Over the years, MPL has also evolved manifold starting from manufacturing moulded furniture to battery casings to pail containers in its product portfolio. Currently, MPL has total installed capacity of 27,700 metric tonnes per annum (MTPA) as on September 30, 2025, for battery cases and pails which utilised at ~81% and thin walls at 62%.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Strong suppliers and client relationships and strategic location of plant, though customer concentration remains
MPL has established itself as a preferred vendor for supplying packaging products and has long-term relationship with its reputed clients in inverter batteries and paint industries. It received regular orders from its reputed customers having strong credit profile. MPL enjoys locational advantage as its manufacturing facilities are strategically located at Dehradun (Uttarakhand), Hosur (Tamil Nadu), Una (Himachal Pradesh), Silvassa, and Panipat, which are in proximity to its clients having presence in power batteries, paints, and auto sectors. This results in savings in transportation cost and timely supply to the customers. In FY24, the company also added few new clients across dairy industry. However, the customer base remained concentrated marked by top 10 customers constituting ~74% of total income in FY25 (PY: 80%). However, comfort can be derived from strong credit profile of its clients and MPL's long-standing relationship with them mitigating counterparty risk to a great extent. MPL enjoys a healthy relationship with its suppliers for over a decade. Consequently, in FY25, ~84% of its raw material requirements were met by its top five suppliers.

Comfortable capital structure and debt coverage indicators
MPL's capital structure improved and remained comfortable with overall gearing reaching at 0.86x as on March 31, 2025, from 0.93x as on March 31, 2024, on back of accretion of profits to reserve, which increases the tangible net worth of the company. The debt coverage indicators also slightly improved with total debt to gross cash accruals (GCA) stood at 3.37x in FY25 against 3.64x in FY24, considering improved profitability in FY25. The interest coverage remained stable at 3.38x in FY25 against 3.39x in FY24 due to increase in interest cost with proportionate increase in absolute PBILDT level. The capital structure and debt coverage indicators are expected to gradually improve due to scheduled repayment of term loans with no major debt-funded capex planned in the near-to-medium term.

Successful capacity expansion driving operational efficiency in FY25 and H1FY26
MPL has successfully completed the capex for diversification of its product portfolio by venturing into thin wall containers and expansion of pails business by setting up new manufacturing plant for Grasim Industries Limited (Grasim) at Panipat. On the back of successful completion of said capex, the company has enhanced it production capacity to 27,700 MTPA in H1FY26, which enables the company to scale up its operational performance in FY25 and H1FY26 marked by increased utilisation of the production capacity up to 81% for battery cases and pails and up to 62% for Thin Wall in H1FY26. The company planning for additional capex of ₹30 crore in next two years which includes annual mould maintenance and increasing the capacity of thin walls. Going forward, the company intended to reduce its dependence on battery casings from current level of ~60% of revenue to 50% in the near-to-medium term by diversifying into four new product categories of bottle manufacturing for personal care, cosmetics, beverages, and pharma packaging segment. Overall, the strategy focuses on high-margin businesses and reducing exposure to cyclical segments. Hence, timely execution and subsequent stabilisation of the same remained key monitorable.

Key weaknesses
Moderate though growing scale of operations with moderate profitability
MPL's scale of operations continues to remain moderate, although TOI grew by 12.42% to ₹406.51 crore in FY25 from ₹361.60 crore in FY24, driven by y-o-y volume growth of 13.81% to 22,205 metric tonnes (MT) in FY25 against 19,510 MT in FY24. The growth was driven by increase in the business from existing customers and addition in the new customer, Grasim, on the back recently completed capex at Panipat for the same. This is also attributable due to an improved product mix, and contributions from newly introduced thin-wall containers. With continued demand from the customers and capacity expansion undertaken in the last, TOI further increased to ₹233.23 crore in H1FY26 from ₹206.76 crore in H1FY25. The same is expected to increase further in the near term considering the said reasons.

The PBILDT margin improved from 8.78% in FY24 to 11.16% in FY25 primarily driven by a favourable change in product mix, with increased contribution from higher-margin segments such as thin wall containers and paint-shop products. Additionally, the company has undertaken capacity additions which are currently utilised at 81% for battery cases and pails and up to 62% for thin wall, resulting in better absorption of fixed costs and operational efficiencies. Cost optimisation measures, including strategic procurement of raw materials and streamlined logistics such as proximity to key customers optimising the logistics and packaging costs, contributed to lowering cost. Profit after taxation (PAT) margin improved from 3.19% in FY24 to 4.75% in FY25 in line with PBILDT margin. Going forward, the company expects margins to remain stable, supported by a diversified product mix and the benefit of GST rate reduction on battery casings.

Elongated operating cycle
The company's overall operations stood working capital intensive marked by gross current assets period of 142 days in FY25 (against 108 days in FY24), elongation in the same was mainly considering increase in inventory period in FY25. Inventory levels have risen primarily due to expansion in product categories and the addition of new stock-keeping units (SKUs), which require

maintaining minimum stock even in initial stabilisation. The company also made strategic bulk purchases (imports) of raw materials at favourable prices to mitigate cost volatility, resulting in higher inventory holdings. Additionally, imported materials in transit and seasonal demand planning ahead of peak periods contributed to the increase. Capacity expansion across plants further necessitated buffer stock to ensure uninterrupted production and timely delivery to customers. The collection period has remained stable at 47 days in FY25 (PY: 48 days). The creditors' period also remained at 25 days (PY: 26 days). However, operations continue to remain working capital intensive in nature with working capital cycle of the company moderated to 76 days in FY25 (over 68 days in FY24).

Susceptibility of profitability to fluctuation in crude oil prices and foreign exchange rates
MPL uses poly-propylene co-polymer (PPCP) and acrylonitrile butadiene styrene (ABS) as its major raw materials. PPCP and ABS are crude oil derivatives and hence MPL's profitability is susceptible to volatility in crude oil prices, which has direct bearing on its raw material prices. Crude oil prices have been volatile in the past, making MPL's raw material prices sensitive to changes in crude oil prices. However, MPL generally passes on the raw material price rise to its customers with a time lag of 30 days. MPL sources its raw material requirements primarily from domestic companies such as Reliance Industries Limited and Haldia Petrochemicals Limited. Apart from that, MPL also procures raw materials from international market depending on the opportunity arising from raw material price difference between domestic and international market. MPL also imports its moulds and machinery requirements, which adds to its exposure to foreign exchange risk. However, MPL has a practice of hedging 100% forex exposure, which mitigates forex volatility risk to a considerable extent.

Liquidity: Adequate
The liquidity position remained adequate marked by sufficient expected GCA against repayment in the range of ₹12 crore to ₹13 crore for FY26 and FY27. Its working capital limits of ₹60 crore remained utilised at 88.18% on an average and maximum average utilisation stood at 92.94% for past 12 months ended September 2025. Further, cash flow from operations stood positive at ₹32.06 crore in FY25 against positive of ₹28.19 crore in FY24. The current ratio and quick ratio stood stable at 1.03x and 0.61x, respectively, as on March 31, 2025 (against current ratio and quick ratio of 1.02x and 0.64x, respectively, as on March 31, 2024.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Plastic products - industrial

Founded by Nikunj Kapadia in 1996, MPL began its operations as a plastic processing unit and was involved in manufacturing moulded furniture for Nilkamal Limited. In 2002, MPL diversified its operations into manufacturing polypropylene heat sealed battery container sets (battery casings) for batteries used in applications such as power and auto. In FY14, MPL also commenced manufacturing pail containers. The company started paint shop for auto components in Hosur, Tamil Nadu. MPL has seven manufacturing facilities at Silvassa (1 unit), Dehradun (2 units), Hosur (2 units including the paint shop), Una, Himachal Pradesh (1 unit) and Panipat, Haryana (1 unit) with total installed capacity of 27,700 MTPA as on September 30, 2025.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	September 30, 2025 (UA)
Total operating income	361.60	406.51	233.23
PBILDT*	31.77	45.36	NA
Profit after tax (PAT)	11.53	19.33	NA
Overall gearing (x)	0.93	0.86	NA
Interest coverage (x)	3.39	3.38	NA

A: Audited UA: Unaudited; NA- Not available; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Nil

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-Cash Credit		-	-	-	60.00	CARE BBB+; Positive
Fund-based - LT-Term Loan		-	-	July 2028	26.38	CARE BBB+; Positive
Non-fund-based-Short Term		-	-	-	1.00	CARE A2

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-Cash Credit	LT	60.00	CARE BBB+; Positive	-	1)CARE BBB+; Stable (10-Dec-24)	1)CARE BBB+; Stable (17-Nov-23)	1)CARE BBB+; Positive (04-Nov-22)
2	Non-fund-based-Short Term	ST	1.00	CARE A2	-	1)CARE A2 (10-Dec-24)	1)CARE A2 (17-Nov-23)	1)CARE A3+ (04-Nov-22)
3	Fund-based - LT-Term Loan	LT	26.38	CARE BBB+; Positive	-	1)CARE BBB+; Stable (10-Dec-24)	1)CARE BBB+; Stable (17-Nov-23)	1)CARE BBB+; Positive (04-Nov-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-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based-Short Term	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated: Not applicable

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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About us:

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