MAK Controls and Systems Private Limited

February 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	60.00 (Enhanced from 30.00)	CARE A-; Stable	Upgraded from CARE BBB+; Stable
Long-term / Short-term bank facilities	95.00	CARE A-; Stable / CARE A2+	Upgraded from CARE BBB+; Stable / CARE A2

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in ratings assigned to bank facilities of MAK Controls and Systems Private Limited (MAK) considers the improved capital structure considering significant reduction in debt levels over the years, consistent growth in scale of operations while maintaining stable profitability, and improved debt protection metrics. Ratings continue to derive strength from the promoters' vast experience, MAK's established and long operational track record of over three decades, its unique product offering supported by in-house research and development (R&D) capabilities, its ability to imbed technical value addition in products and revenue visibility aided by improved orderbook position. Ratings also consider well-established manufacturing facilities, and strategic partnership with leading engineering groups.

However, ratings are constrained by the relatively moderate scale of operations, elongated working capital cycle, and concentrated revenue, regulatory and compliance challenges associated with defence industry.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistently improving scale of operations with total income above ₹350 crore with profit before interest, lease rentals, depreciation and taxation (PBILDT) margin above 18% on a sustained basis.
- Improving operating cycle to below 200 days.

Negative factors

- Major debt-funded capex plan, leading to deteriorating gearing above 0.5x.
- Significantly elongating collection period, leading to deteriorating operating cycle.

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that MAK will sustain its operational performance benefiting from its manufacturing capabilities, well-established clientele, improved order book position and enhanced growth opportunities arising from increased government spending in the defence sector.

Detailed description of key rating drivers:

Key strengths

Vast experience of promoters in the aviation segment

MAK was founded in 1973 by Athapa Manickam. In the 1990s, when India's aviation industry experienced rapid growth following economic liberalisation, the company diversified from traditional electrical and mechanical products into the design and manufacture of advanced aircraft ground support equipment. Athapa Manickam, an engineer by qualification, serves as Chairman and Technical Development Adviser for all projects, while also holding the position of Managing Director. He is supported by his son, Saravanan Manickam, also an engineer by qualification. He is the Executive Director of MAK, who oversees production and finance. Athapa has over three decades of expertise and experience in manufacturing ground support equipment for the aviation sector.

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

The leadership team also manages MAK's subsidiaries: Air + Mak Industries Inc., USA, which specialises in aircraft ground support equipment, and MAK India Limited, engaged in the design and production of ABD (Anaerobic Bacterial Digestion) bio septic tanks and bio toilet cabins.

Established operational track record and unique product offerings

MAK has been developing and manufacturing engineering equipment for over three decades. Over the years, MAK has been involved in successfully executing development projects for the defence segment, making it a preferred vendor with most defence laboratories for a range of power supply products. MAK is also one of the few companies in the world manufacturing ground power units (GPU) and air starter units (ASU) for the airline industry. The company has been approved by the Directorate General of Aeronautical Quality Assurance (DGAQA) and the Directorate of General Civil Aviation industry (DGCA) for design, manufacture, and supply of GSE for the civil and military aviation industry. MAK designs all its commercial GSE according to AHM (Airport Handling Manual) standards. In FY24, the company obtained the Approval of Firm and its Quality Management System (AFQMS) certificate from the DGAQA.

Reputed clientele in the defence and aviation segment

The company's clientele includes reputed players in domestic and export markets, and in defence and commercial aviation sectors, including Indian Air Force, Indian Navy, Indian Military, Heavy Vehicles Factory, Hindustan Aeronautics Limited, Bharat Electronics, Bharat Dynamics Limited, and Larsen and Toubro, among others. The company's established position in domestic and international markets, and expertise developed over three decades, has helped it retain its clients, ensuring repeat orders in the defence and aviation sectors.

Revenue visibility aided by comfortable orderbook position

MAK's confirmed order book position as on December 23, 2025, stood at ₹468.26 crore against ₹322.62 crore as on February 20, 2025. The current order book translates to 2.45x of FY25 revenue (FY refers to April 01 to March 31), providing revenue visibility for the company in the near-to-medium term. MAK Controls is also expected to supply power systems for the Indian Army's "Anant Shastra" project, for which Bharat Electronics Limited (BEL) secured a ₹30,000-crore tender. This project is anticipated to generate ~₹300 crore in orders for MAK, to be executed in the next three years. With the government's focus on localising defence equipment and spare parts and efforts to boost defence exports, the company's order book is expected to expand in the near-to-medium term.

Steady growth in income

The company recorded a total operating income (TOI) of ₹191.08 crore in FY25. The total income has consistently grown in the last five years at compound annual growth rate (CAGR) of 15.10%. The PBILDT margins stood stable at 14.54% in FY25 (PY:14.39%) and continues to be comfortable in the range of 13-15% in the last five years.

Healthy capital structure and debt coverage indicators

The company's major working capital requirement is from bank guarantee limits, which are required to be provided upfront until completion of an order. The company also avails interest free customer advance backed by bank guarantee. Overall gearing stood comfortable at 0.23x (PY: 0.36x) as on March 31, 2025, which improved over the years from 0.86x as on March 31, 2021. The company has nil outstanding term loan as on March 31, 2025. Interest coverage indicator moderated slightly but remained comfortable at 11.62x in FY25 compared to 13.27x in FY24. Debt protection metrics also improved over the years with total debt to gross cash accruals (TD/GCA) improving from 6.27x as on March 31, 2021, to 1.51x as on March 31, 2025. CareEdge Ratings expects overall gearing to remain comfortable in the medium term with no large debt funded capex in the medium term.

Key weaknesses

Relatively moderate scale of operations

The company recorded TOI of ₹191.08 crore in FY25 at a PBILDT margin of 14.54%. Most orders take ~12-15 months for completion and revenue recognition is on a percentage of completion basis. The company's TOI in H1FY26 stood at ₹60.07 crore with majority revenue being booked in Q4 of the financial year.

Elongated working capital cycle

The company is engaged in manufacturing capital intensive products, which have a relatively long gestation period for manufacture, testing, and delivery. Defence payments are made after final testing and installation of products, which take ~8-9 months, while execution and payment cycle takes ~3-4 months. This keeps the company's receivables level at an average of ~4-5 months. The company's operating cycle stood elongated at 250 days in FY25 compared to 244 days in PY, mainly due to a higher collection period of 173 days in FY25, up from 145 days in FY24. However, average inventory days have improved significantly in the last four years from 214 days in FY21 to 119 days in FY25 due to adoption of effective inventory management practices.

Regulatory and compliance challenges in the defence industry
In India's defence industry, compliance complexities with multiple regulatory bodies such as the Ministry of Defence (MoD), DRDO, and DGCA significantly prolong project timelines. Post-award delays stem from stringent controls on technology transfer, licensing, and royalties. Public procurement norms, offset obligations, and export restrictions further constrain scalability and cost recovery. These challenges could result in extended operating cycles, particularly for MSMEs and startups. With 80% of MAK's revenue being from the defense industry where order procurement is tender-based, profitability remains sensitive to bid success.

Liquidity: Strong
The company has Strong liquidity characterised by healthy accruals of ₹19.89 crore against Nil repayment obligations in FY26. The company has free cash and liquid investments of ₹4.39 crore as on March 31, 2025 (PY: ₹5.62 crore). The operating cycle of the company is high at 250 days (PY: 244 days) due to the nature of the industry, which requires the company to keep sufficient inventory to ensure the timely supply of critical components. The collection period is also elongated at 173 days (PY:145 days) due to payments being released post extensive testing and regulatory requirement delays associated with serving the defense sector. Average utilisation of fund-based limits remained comfortable, at 34.69% for 12-months ended December 2025. The current ratio stood comfortable at 3.37x as on March 31, 2025. Unutilised bank borrowings provide cushion to meet short-term exigencies.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

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	Other industrial products

MAK is a Coimbatore-based company engaged in manufacturing power supply systems and other specialised equipment for defence projects and ground support equipment (GSE) for defence and commercial aircraft. MAK was founded and promoted by Athapa Manickam in 1972 as a proprietorship entity "MAK controls", engaged in design and manufacturing digital control panels for applications. Later it ventured into manufacturing GSE for the aviation industry with the liberalisation of Indian economy. In 1994, MAK was renamed and converted into a private limited company. MAK also supplies the fully completed 'knock-down units' of GSEs to its subsidiary in US, 'Air+MAK' (AM), which re-assembles and sells it to US-based airlines (commercial and defence segments) after carrying out testing of the units.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	180.85	191.08	60.07
PBILDT*	26.02	27.78	9.39
Profit after tax (PAT)	16.68	18.25	NA
Overall gearing (x)	0.36	0.23	NA
Interest coverage (x)	13.27	11.62	9.12

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: 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-Cash Credit		-	-	-	60.00	CARE A-; Stable
Non-fund-based - LT/ ST-BG/LC		-	-	-	95.00	CARE A-; Stable / 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 A-; Stable	-	1)CARE BBB+; Stable (25-Mar-25)	1)CARE BBB+; Stable (26-Mar-24) 2)CARE BBB+; Stable (07-Jun-23)	1)CARE BBB+; Stable (16-Mar-23)
2	Non-fund-based - LT/ ST-BG/LC	LT/ST	95.00	CARE A-; Stable / CARE A2+	-	1)CARE BBB+; Stable / CARE A2 (25-Mar-25)	1)CARE BBB+; Stable / CARE A2 (26-Mar-24) 2)CARE BBB+; Stable / CARE A2 (07-Jun-23)	1)CARE BBB+; Stable / CARE A2 (16-Mar-23)
3	Fund-based - LT-Term Loan	LT	-	-	-	-	1)Withdrawn (26-Mar-24) 2)CARE BBB+; Stable (07-Jun-23)	1)CARE BBB+; Stable (16-Mar-23)

LT: Long 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	Non-fund-based - LT/ ST-BG/LC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

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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