

Manaksia Aluminium Company Limited

May 21, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 313.65 Crore	Regulator[^]
Long Term Rating	IVR BBB+/Stable (Rating Reaffirmed)	RBI
Short Term Rating	IVR A2 (Rating Reaffirmed)	RBI

[^]Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Refer Annexures for details of facilities/instruments, facility wise lender details, and detailed explanation of covenants.

Note: None of the Directors on Infomerics Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

Rationale

The reaffirmation of the ratings assigned to the bank facilities of Manaksia Aluminium Company Limited (MACL) continues to derive comfort from long track record of the company coupled with extensive experience of the promoters in the aluminium industry and wide geographical presence with strategic plant locations. The ratings also factor in the improvement in business performance of MACL in FY2026 [FY refers to the period from April 1 to March 31]. However, these rating strengths remain partially offset by moderately leveraged capital structure with moderate debt coverage indicators, volatility in raw material prices, exposure to foreign currency fluctuation risk, working capital intensive nature of operations and exposure to inherent cyclicity in the metal industry.

Outlook: Stable

The stable outlook reflects expected stable business performance of the company in the near to medium term supported by its experienced promoters.

Analytical Approach

Approach	Comments
Consolidation/ Standalone	Standalone
Parent/ Group Support	Not Applicable

Key Rating Drivers with Detailed Description

Strengths

- Improvement in business performance in FY26

Total operating income (TOI) of the company witnessed a y-o-y growth of ~11% from Rs.509.15 crore in FY25 to Rs.563.91 crore in FY26 on the back of increase in both sales volume (Sales volume increased by ~2% in FY26 over FY25) coupled with increase in average sales realisation (average sales realisation increased by ~9% in FY26 over FY25). The company has witnessed a rise in demand for the products manufactured specially in the domestic market in FY26. While export sales increased marginally from Rs.307.78 crore in FY25 to Rs.314.24 crore in FY26, domestic sales increased to Rs.249.66 crore in FY26 from Rs.201.37 crore in FY25. Export sales were impacted during Q1 and Q2 of FY26 due to increase in US tariffs, however, the same picked up during Q3 and Q4 of FY26 with increase in sales to alternative markets namely UAE and Europe. The company has been able to sustain its EBITDA margin at 8.40% in FY26 (8.43% in FY25) despite global economic headwinds. Further, with increase in top line, absolute EBITDA also increased to Rs.47.35 crore in FY26 from Rs.42.91 crore in FY25. EBITDA/ton increased in FY26 to Rs. ~28,000 from Rs. ~26,000 in FY25 mainly driven by increase in sales realisations which are completely market driven and sale of more value-added products. With increase in EBITDA, PAT also increased to Rs.7.56 crore in FY26 from Rs.6.05 crore in FY25, though PAT margin continued to remain thin at 1.34% in FY26 (1.19% in FY25). Net cash accruals increased to Rs.17.43 crore in FY26 from Rs.14.40 crore in FY25. The company's ability to sustain the growth in its scale of operations while improving its overall profitability will remain a key rating monitorable going forward.

- **Strategic location of plants**

The manufacturing unit is located at Haldia, and the engineering unit is located at Bankura where the company manufactures machines and spare parts for internal consumption as well as for exports. The company has an ISO 9001:2008 certification. Further, both the plants have locational advantage of road, rail and nearby seaport facilities along with abundant skilled and unskilled labour.

- **Wide geographical presence**

MACL revenue is mainly driven by exports to overseas countries such as USA, Europe, Middle East, UAE, African countries etc. In the domestic market also, the products are sold across PAN India. Presence across multiple states/markets provides operational flexibility and contributes positively to scalability, market penetration, and long-term growth prospects.

- **Long track record and extensive experience of the promoters in the Aluminium industry**

Manaksia Limited (ML) was incorporated in 1984 in Kolkata by one Agarwal family. It was multi-divisional, and the product line included packaging products, Aluminium rolled products, galvanized steel and mosquito coils. In 2013, the Aluminium division of Manaksia Ltd. was transferred under a scheme of demerger to MACL and currently MACL is engaged in

manufacturing of Aluminium rolled products in coil and sheet form as well as Aluminium alloy ingots. The promoters have a long and extensive experience of over three decades in the Aluminium industry. Currently, the operations are looked after by Mr. Sunil Kr. Agrawal, Managing Director who is well supported by Mr. Anirudha Agrawal, CEO and son of Mr. Sunil Kr. Agrawal in managing the day-to-day operations of the company. Infomerics believes that MACL will continue to benefit from the experience of the promoters in the industry and well-established relations with large players in the aluminium industry over the near to medium term.

Weaknesses

- **Moderately leveraged capital structure with moderate debt coverage indicators**

The capital structure of the company marked by overall gearing though improved from 1.79x as on March 31, 2025, continued to remain moderately leveraged at 1.71x as on March 31, 2026, on account of elevated debt levels taken for the modernisation capex and working capital purposes. The improvement in gearing was on account of accretion of profits to reserves. The company has a healthy net worth base (ATNW) of Rs.140.90 crore as on March 31, 2026. Total indebtedness as reflected by TOL/ATNW stood moderate at 2.90x as on March 31, 2026. The debt coverage indicators marked by ICR continued to remain moderate at 1.69x in FY26 (1.56x in FY25) due to higher interest cost on account of elevated debt levels. Total debt/EBITDA and Total debt/NCA also stood high at 5.09x and 13.83x respectively as on March 31, 2026 (5.57x and 17.03x respectively as on March 31, 2025). Infomerics expects gradual improvement in the capital structure and debt coverage parameters going forward.

- **Volatility in raw material prices**

Raw material (majorly aluminum) is the major cost driver (constituting about 70-75% of total cost of production) Further, aluminum prices are highly volatile and prone to fluctuations based on global demand supply situations and other macro-economic factors. The company hedges the fluctuation through commodity exchanges and matches sales with purchases, to protect the margins.

- **Exposure to foreign exchange fluctuation**

The company imports raw materials mostly from US, Southeast Asia and European countries which on an average consists of ~75%-80 % of total procurement. Further it exports its finished products to different countries including US, European, African and Asian counties which on an average consists of ~ 50%-60% of its TOI in FY25 and FY26. Though, the company generally use forward cover to hedge its forex fluctuation risk, yet it is exposed to risks arising out of fluctuations in foreign currency. The company had unhedged foreign currency exposure of Rs.14.17 crore as on December 31, 2025.

- **Working capital intensive nature of operations**

MACL's operation is working capital intensive in nature as it needs to provide certain credit period to its customers in view of general practice in the industry and stock 3-4 months of inventories due to lead time involved in import of raw material (~2.5 months from overseas port to factory). The creditors period of 60-90 days imparts comfort to an extent. The company's operating cycle stood at 107 days in FY26 (100 days in FY25).

- **Exposure to inherent cyclicity of the metal industry**

The metal industry is cyclical in nature, and any downturn in industrial activity, slowdown in end-user sectors, or oversupply conditions may adversely impact realizations, margins, and overall financial performance of the company.

Liquidity – Adequate

The liquidity profile of the company is expected to remain adequate marked by sufficient flow from operations and net cash accruals vis-à-vis its debt repayment obligation during FY27-FY29. The average utilisation of fund based, and non-fund-based limits stood moderate at ~79% during the last twelve months ended March 2026 providing moderate buffer in its working capital limits. Current ratio remained comfortable at 1.21x as on March 31, 2026. Also, the company had free cash and cash equivalent to the tune of Rs.2.36 crore as on March 31, 2026, which is expected to support the liquidity profile of the company in the near term.

Rating Sensitivities

Upward Factors

- Growth in scale of operations with improvement in profitability metrics thereby leading to overall improvement in cash accruals and debt service coverage indicators on a sustained basis
- Sustained improvement in the capital structure with improvement in TOL/ATNW to below 2x
- Effective working capital management with improvement in operating cycle leading to improvement in liquidity

Downward Factors

- Dip in operating income and/or profitability impacting the debt coverage indicators on a sustained basis
- Deterioration in the capital structure with overall gearing moderated above 1.5x and drop in interest coverage to below 1.5x
- Elongation in the operating cycle impacting the liquidity and higher average utilisation in bank borrowings to more than ~90% on a sustained basis

About the Company

Manaksia Limited was incorporated in 1984 in Kolkata, West Bengal. It was multi-divisional, and the product line included packaging products, Aluminium rolled products, galvanized steel and mosquito coils. In 2013 the Aluminium vertical of Manaksia Limited was transferred under the scheme of demerger to Manaksia Aluminium Company Limited (MACL). MACL is primarily engaged in the manufacturing of value-added Aluminium products such as Aluminium Rolled Sheets / Coils, Aluminium Patterned Sheets, Aluminium Roofing Sheets, Aluminium Flooring Sheets, Aluminium Alloy Ingots. Its installed capacity is 25,800 MT per annum. The products are widely used in the construction and transportation sector, automobiles, consumer durable sector, etc.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	509.15	563.91
EBITDA	42.91	47.35
PAT	6.05	7.56
Total Debt	239.02	241.08
Tangible Net Worth (TNW)	135.33	142.35
EBITDA Margin (%)	8.43	8.40
PAT Margin (%)	1.19	1.34
Overall Gearing (times)	1.79	1.71
Interest Coverage (times)	1.56	1.69

**Classification as per Infomerics' standards; Amount in Rs. Crore; Source: Company*

Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years



Sr. No.	Instruments/ Facilities	Current Ratings (Year 2026-27)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstand ing (Rs. Crore)	Rating	Date(s) & Rating(s)) assigned in 2025- 26	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in in 2023-24
					-	February 25, 2025	November 29, 2023
1.	Fund based facilities	LT/ST	183.95	IVR BBB+/Stabl e/IVR A2	-	IVR BBB+/Stable/ IVR A2	IVR BBB+/Stable/ IVR A2
2.	Non-fund-based facilities	ST	129.70	IVR A2	-	IVR A2	IVR A2

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issua nce	Coup on Rate/ IRR	Matur ity Date	Size of Facility (Rs. Crore)	Rating Assigned / Outlook	Listing Status	Regulator ^	<u>Complexity Indicator</u>
Term Loan	-	-	-	Dec 2027	2.59	IVR BBB+/Sta be	NA	RBI	Simple
GECL	-	-	-	Nov 2026	0.09	IVR BBB+/Sta be	NA	RBI	Simple
GECL	-	-	-	Sep 2028	0.58	IVR BBB+/Sta be	NA	RBI	Simple
Term Loan	-	-	-	Mar 2031	3.50	IVR BBB+/Sta be	NA	RBI	Simple
GECL	-	-	-	Sep 2027	1.39	IVR BBB+/Sta be	NA	RBI	Simple
GECL	-	-	-	Aug 2028	0.25	IVR BBB+/Sta be	NA	RBI	Simple
Term Loan	-	-	-	Mar 2029	3.77	IVR BBB+/Sta be	NA	RBI	Simple
Term Loan	-	-	-	Mar 2028	7.53	IVR BBB+/Sta be	NA	RBI	Simple
Term Loan	-	-	-	Oct 2028	6.25	IVR BBB+/Sta be	NA	RBI	Simple
GECL	-	-	-	May 2028	1.71	IVR BBB+/Sta be	NA	RBI	Simple
Term Loan	-	-	-	Aug 2026	0.38	IVR BBB+/Sta be	NA	RBI	Simple



Term Loan	-	-	-	Mar 2027	0.91	IVR BBB+/Stable	NA	RBI	Simple
Bank Guarantee	-	-	-	-	5.00	IVR A2	NA	RBI	Simple
Letter of Credit	-	-	-	-	29.50	IVR A2	NA	RBI	Simple
Letter of Credit	-	-	-	-	9.50	IVR A2	NA	RBI	Simple
Letter of Credit	-	-	-	-	23.00	IVR A2	NA	RBI	Simple
Letter of Credit	-	-	-	-	12.00	IVR A2	NA	RBI	Simple
Letter of Credit	-	-	-	-	1.00	IVR A2	NA	RBI	Simple
Letter of Credit	-	-	-	-	5.00	IVR A2	NA	RBI	Simple
Letter of Credit	-	-	-	-	20.00	IVR A2	NA	RBI	Simple
Proposed Letter of Credit/Bank Guarantee	-	-	-	-	24.70	IVR A2	NA	RBI	Simple
Standby line of credit (SBLC)	-	-	-	-	5.00	IVR A2	NA	RBI	Simple
Cash Credit *	-	-	-	-	35.00	IVR BBB+/Stable/IVR A2	NA	RBI	Simple
Cash Credit *	-	-	-	-	25.00	IVR BBB+/Stable/IVR A2	NA	RBI	Simple
Cash Credit *	-	-	-	-	28.00	IVR BBB+/Stable/IVR A2	NA	RBI	Simple
Cash Credit *	-	-	-	-	14.00	IVR BBB+/Stable/IVR A2	NA	RBI	Simple
Cash Credit *	-	-	-	-	14.00	IVR BBB+/Stable/IVR A2	NA	RBI	Simple
Cash Credit *	-	-	-	-	20.00	IVR BBB+/Stable/IVR A2	NA	RBI	Simple
Cash Credit *	-	-	-	-	14.00	IVR BBB+/Stable/IVR A2	NA	RBI	Simple

^Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

*Cash credit limit is rated under long term/short term rating as short-term facilities like PC/PCFC/FBP/FBD are sublimit to Cash Credit.

Annexure 2: Facility wise lender details:

https://infomericstorage.blob.core.windows.net/uploads/len_manaksia_may26_47bcc747ee.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for Consolidated/Combined analysis: Not Applicable

Annexure 5: List of activities / instruments and names of regulators

Sr. No.	Instrument / activity Name	Regulator of the instrument
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference Shares	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) *	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) *	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ^	RBI
9	External Commercial Borrowings/Loans from overseas lenders/Loans from Multilaterals	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	Refer foot note
15	Issuer Ratings #	Refer foot note
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts	SEBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
22	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI



23	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
24	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) @	Investor-side Regulator such as IRDAI, PFRDA

Footnotes:

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In Press Release(s) subsequent to issuance(s), CRA shall separately capture the rated quantum details along with names of respective regulators.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

@ These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side regulators have been included.

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About Infomerics

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