



Press Release

Mangal Electrical Industries Private Limited

August 09, 2024

Ratings:

Facilities/ Instruments	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Fund Based Bank Facilities	46.08	IVR BB+/Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; Issuer Not Cooperating*)	IVR BBB/ Stable (IVR Triple B with Stable Outlook)	Downgraded / Outlook revised to Negative and migrated to Issuer Not Cooperating Category	Simple
Short Term Non- Fund Based Bank Facilities	50.81	IVR A4+; ISSUER NOT COOPERATING* (IVR A Four Plus; Issuer Not Cooperating*)	IVR A3+ (IVR A Three Plus)	Downgraded and migrated to Issuer Not Cooperating Category	Simple
Total	96.89	(Rupees Ninety-Six Crore and Eighty-Nine Lakhs only)			

**Issuer did not cooperate; Based on best available information*

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings (IVR) has downgraded its long-term ratings with change in Outlook and short-term rating to the bank facilities of Mangal Electrical Industries Private Limited (MEIPL) and migrated to "ISSUER NOT COOPERATING" category due to non-submission of information and lack of management corporation.

The aforesaid rating action to the bank facilities of Mangal Electrical Industries Private Limited (MEIP) is due to lack of adequate information for annual review regarding Mangal Electrical Industries Private Limited and hence the uncertainty around its credit risk. Infomerics Ratings assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.

Infomerics Ratings has rated the bank loan facilities of Mangal Electrical Industries Private Limited (MEIPL) in the month of June 2023. Despite close follow up through telephone calls and mails dated 19 Jun,2024, 26 Jun,2024, 1 July,2024, 12 July,2024, 24 July,2024, 30 July 2024. and concurrently over phone call for submission of required information for review and



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failure to submit minimum required information for a review is considered as an act of non-cooperation. In the absence of adequate information from the company, Infomerics Ratings is unable to assess the company's financial performance and its ability to service its debt and maintain a valid rating. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the Company. Based upon the same Infomerics Ratings has downgraded the long-term rating to IVR BB+/Negative and short-term rating to 'IVR A4+; migrated to ISSUER NOT COOPERATING' category for the bank facilities of Mangal Electrical Industries Private Limited (MEIPL).

Non-Cooperation by Issuer:

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics Ratings has to assign the rating based on the best available information. Accordingly, the bank loan facilities of Mangal Electrical Industries Private Limited (MEIPL), aggregating to Rs 96.89 crore have been migrated to the 'ISSUER NOT COOPERATING' category and the rating for long term be noted as 'IVR BB+/Negative; ISSUER NOT COOPERATING' and rating for short-term as 'IVR A4+; ISSUER NOT COOPERATING' by IVR based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

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

[Guidelines on what constitutes Non-Cooperation by clients](#)

[Criteria for assigning rating outlook](#)

[Policy on default recognition & Post- Default Curing Period](#)

[Complexity level of rated instruments/facilities](#)

Liquidity: Unable to comment due to lack of adequate information

About the Company



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Mangal Electrical Industries Private Limited (MEIPL) is a Jaipur based company which was initially formed as a partnership firm in 1990 under the name 'Mangal Electrical Industries' and was subsequently converted into a private limited company in April 2008 and the name was changed to its present form. The company has been promoted by Mr Rahul Mangal along with his brother Mr Ashish Mangal. MEIPL is involved in the manufacturing of transformers, electrical laminations for transformers from cold rolled grain oriented (CRGO) Steel and Prestressed Cement Concrete (PCC) poles.

Financials (Standalone): Latest financials are not available.

For the year ended*	(Rs. Crore)	
	31-03-2022	31-03-2023
	Audited	Provisional
Total Operating Income	218.41	310.22
EBITDA	20.67	29.50
PAT	6.07	15.97
Total Debt	83.30	64.14
Tangible Net worth	52.31	68.73
EBITDA Margin (%)	9.47	9.51
PAT Margin (%)	2.77	5.09
Overall Gearing Ratio (x)	1.02	0.93
Interest Coverage (x)	2.01	3.96

**Classification as per Infomerics Standard; above financials are as per last available/shared financials*

Status of non-cooperation with previous CRA: CARE Ratings Limited vide its press release dated June 18, 2024, has continued to classify the case under Issuer Not Cooperating category on account of non-submission of information and Brickwork Ratings India Pvt. Ltd. vide its press release dated July 06, 2023, has moved the rating to Issuer Not Cooperating category on account of non-submission of requisite information.

Any other information: Not Applicable

Rating History for last three years:



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Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2024-25)			Rating History for the past 3 years		
		Type	Amount (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24 (June 13, 2023)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
1	Fund Based Bank Facilities	Long Term	46.08	IVR BB+/Negative; ISSUER NOT COOPERATING*	IVR BBB/ Stable	-	-
4	Non-Fund Based Bank Facilities	Short Term	50.81	IVR A4+; ISSUER NOT COOPERATING*	IVR A3+	-	-

* Issuer did not cooperate; based on best available information

Name and Contact Details of the Rating Analyst:

Name: Raman Thakur Tel: (011) 45579024 Email: raman.thakur@infomerics.com	Name: Vipin Jindal Tel: (011) 45579024 Email: vipin.jindal@infomerics.com
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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.



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For more information visit www.infomerics.com.

Disclaimer: Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

Annexure 1: Instrument/Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (INR Crore)	Rating Assigned/ Outlook
Long Term Fund Based Bank Facilities – Cash Credit	--	--	--	--	27.30	IVR BB+/Negative; ISSUER NOT COOPERATING*
Long Term Fund Based Bank Facilities – Term Loans	--	--	--	July,2029/As per sanction letter-SIDBI	16.16	IVR BB+/Negative; ISSUER NOT COOPERATING*
Long Term Fund Based Bank Facilities – GECL	--	--	--	Nov,2028/As per sanction letter-Kotak Mahindra Bank	2.62	IVR BB+/Negative; ISSUER NOT COOPERATING*
Short Term Non-Fund Based Bank Facilities – Bank Guarantee	--	--	--	--	50.81	IVR A4+; ISSUER NOT COOPERATING*

* Issuer did not cooperate; based on best available information

Details are as per last available information.

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-Mangal-Electrical-aug24.pdf>



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

Annexure 4: List of companies considered for consolidated analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it based on complexity and a note thereon is available at www.infomerics.com.

