



Press Release

Mangalam Worldwide Limited

June 12, 2025

Ratings

Instrument/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	130.00	IVR BBB/ Stable [Withdrawn] (IVR Triple B with Stable outlook and withdrawn)	IVR BBB- /Negative; ISSUER NOT COOPERATING* Category (IVR Triple B Minus with Negative Outlook; ISSUER NOT COOPERATING*)	Upgraded, outlook revised to 'Stable' and removed from Issuer Not Cooperating category and simultaneously withdrawn	Simple
Short Term Bank Facilities	10.00	IVR A3+ [Withdrawn] (IVR A Three Plus and Withdrawn)	IVR A3; ISSUER NOT COOPERATING* Category (IVR A Three; ISSUER NOT COOPERATING*)	Upgraded, removed from Issuer Not Cooperating category and simultaneously withdrawn	Simple
Total	140.00 (Rupees One Hundred and Forty Crore 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:

Earlier, Infomerics had moved the ratings of Mangalam Worldwide Limited (MWL) to the 'Issuer Not Cooperating' category vide its press release dated December 23, 2024, due to the non-submission of required information. MWL recently began cooperating and submitted the necessary information along with request for withdrawal. Consequently, Infomerics has removed the ratings from the 'ISSUER NOT COOPERATING' category, upgraded the ratings and simultaneously withdrawn the ratings.

The rating upgrade factors the company's long track record of operations, experienced promoters and consistent growth in scale of operation. These rating strengths, however, remain constrained by exposure to intense competition in the steel industry, vulnerability to



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cyclicality in end-user segment, susceptibility to volatility in raw material prices and moderate financial risk profile albeit improving net worth.

Infomerics has simultaneously withdrawn the outstanding rating assigned to the bank facilities of MWL with immediate effect. The withdrawal is based on the request of MWL and on a 'No Objection Certificate' issued by Canara Bank and State Bank of India. The rating, being withdrawn, is in accordance with Infomerics' Policy on withdrawal of ratings.

'Stable' outlook reflects long track record of operations and consistent growth in scale.

Key Rating Sensitivities:

Upward Factors: Not applicable

Downward Factors: Not applicable

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced Promoters of the company**

Managalam Worldwide Limited (MWL) is promoted by Mr. Vipin Prakash Mangal who has experience of more than 35 years. Mr. Vipin Prakash Mangal is supported by his sons namely Mr. Chanakya Prakash Mangal & Mr. Chandragupt Prakash Mangal who are actively involved in all the business-related strategic decisions. The day-today operations of the company are handled by professional team.

- **Consistent growth in scale of operation**

The total operating income of the Company has increased by ~30% to Rs. 1060.71 crore in FY25 from Rs. 818.11 crore in FY24. The operating margin has improved to 5.07% in FY25 [FY24: 4.54%] and profit after tax (PAT) margin of 2.76% in FY25 [FY24: 2.44%] driven by improved utilization of existing capacity.

Key Rating Weaknesses



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- **Exposure to intense competition**

MWL operates in a highly competitive steel trading industry dominated by unorganized players, where price is the key differentiator, limiting its bargaining power and resulting in modest operating margins (~2-5% over the past three fiscal years). Intense competition constrains scalability, pricing power, and profitability, though increasing contributions from seamless pipes and bright bar segments are expected to improve margins.

- **Susceptible to cyclicity in end-user segment**

MWL's performance is tied to the cyclical nature of end-user industries like construction, automobiles, and engineering, which fluctuate with GDP growth, making it vulnerable to commodity price volatility and demand shifts.

- **Moderate financial risk profile albeit improving net worth**

The adjusted tangible net worth of the company improved to Rs. 211.40 crore as on March 31, 2025 as against Rs. 167.74 crore as on March 31, 2024. However, gearing declined to 0.91x as on March 31, 2025 (0.61x as on March 31, 2024) driven by increased total debt. TOL/TNW (Total outside liabilities/Total net worth) stood at 1.79x as on March 31, 2025, as against 1.38x as on March 31, 2024.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

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

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

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

[Policy on withdrawal of ratings](#)

[Policy on issuer not cooperating](#)

Liquidity – Adequate

The liquidity position of MWL is adequate basis expected annual net cash accruals of Rs. 37.42 – 48.53 crore over the next two fiscals (FY26- FY27) which is sufficient for the annual



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repayment obligations of Rs. 7.04 – 8.13 crore. The unutilized working capital for last three months ending May 2025 for the total bank limits (Rs. 165.00 crore) is ~35%. The current ratio stood comfortable at 1.39 times as on March 31, 2025. The free cash and bank balances of the company stood at Rs. 0.25 Crore as on March 31, 2025.

About the Company

Incorporated in 1995, MWL is promoted by Ahmedabad based 'Mangalam' Group. The company is engaged in manufacturing and trading of steel products (S.S. Billets, S.S. Flat Bars, Steel and Seamless pipes etc.). The company has integrated steel products manufacturing plants right from manufacturing billets, ingots to seamless pipes which brings efficiency in operations along with the advantage of full range of products from these activities.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Audited
Total Operating Income	818.11	1060.71
EBITDA	37.17	53.79
PAT	20.10	29.41
Total Debt	102.44	191.63
Adjusted Tangible Net Worth	167.74	211.40
EBITDA Margin (%)	4.54	5.07
PAT Margin (%)	2.44	2.76
Overall Gearing Ratio (x)	0.61	0.91
Interest Coverage (x)	2.51	2.26

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:



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Sr. No.	Name of Security/Facilities	Current Ratings (2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-2024	Date(s) & Rating(s) assigned in 2022-23
					December 23, 2024	October 30, 2023	Month xx, 202x
1.	Cash Credit	Long Term	100.00	IVR BBB/ Stable [withdrawn]	IVR BBB-/ Negative; INC*	IVR BBB/ Stable	-
2.	Term Loan	Long Term	30.00	IVR BBB/ Stable [withdrawn]	IVR BBB-/ Negative; INC*	IVR BBB/ Stable	-
3.	Bank Guarantee	Short Term	4.00	IVR A3+ [withdrawn]	IVR A3; INC*	IVR A3	
4.	Letter of Credit	Short Term	5.00	IVR A3+ [withdrawn]	IVR A3; INC*	IVR A3	
5.	Credit Exposure Limit	Short Term	1.00	IVR A3+ [withdrawn]	IVR A3; INC*	IVR A3	

* Issuer did not cooperate; based on best available information

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About Infomerics:

Infomerics Valuation and Rating 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.



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

For more information and definition of ratings please visit www.infomerics.com.

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Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Cash Credit	-	-	-	-	100.00	IVR BBB/ Stable [withdrawn]
Term Loan	-	-	-	December 2029	30.00	IVR BBB/ Stable [withdrawn]
Bank Guarantee	-	-	-	-	4.00	IVR A3+ [withdrawn]
Letter of Credit	-	-	-	-	5.00	IVR A3+ [withdrawn]
Credit Exposure Limit	-	-	-	-	1.00	IVR A3+ [withdrawn]

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-mangalam-june25.pdf>

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



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Annexure 4: List of companies considered for consolidated/Combined analysis: Not applicable

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

