

Mangalam Alloys Limited

July 15, 2026

Rating Action

Total Bank Loan Facilities Rated	Rs. 182.15 Crore	Regulator[^]
Long Term Rating	IVR BBB/Stable (Rating Reaffirmed)	RBI
Short Term Rating	IVR A3+ (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

Infomerics ratings have reaffirmed its ratings on the bank facilities of Mangalam Alloys Limited (MAL) at 'IVR BBB/Stable/IVR A3+'.

The reaffirmation of ratings factors in the steady scale of operations with sustained operating margins over the medium term, diversified product portfolio, and extensive experience of the promoters. However, these rating strengths are partially offset by average financial risk profile, working capital-intensive nature of operations, and susceptibility to raw material price volatility.

Further, Infomerics has withdrawn its ratings on the bank loan facilities of Rs. 30.49 crore based on request received from the issuer and 'No Due Certificate' issued by the respective lenders as shared with Infomerics Ratings. The withdrawal is in line with Infomerics' policy on the withdrawal of ratings.

Outlook: Stable

The 'Stable' outlook reflects the Infomerics expectation of improvement in scale of operations along with sustenance of operating margins with correction in operating cycle and leverage.

Analytical Approach

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

Key Rating Drivers with Detailed Description

Strengths

Steady revenue from operations with sustained profitability

MAL's total operating income (TOI) grew marginally by 1.49% to Rs. 437.91 crore in FY26 from Rs. 431.47 crore in FY25, amid weak demand, pricing volatility, slower order inflows, and geopolitical uncertainties. Despite modest revenue growth, profitability improved, with EBITDA increasing to Rs. 54.67 crore and PAT to Rs. 14.68 crore, supported by lower production costs, resulting in EBITDA and PAT margins of 12.49% and 3.33%, respectively. Going forward, revenue growth is expected to improve gradually with stronger demand and order inflows, supporting expected growth in net profit margins over the medium term.

Diversified product portfolio

MAL benefits from a diversified product portfolio, including stainless steel billets, ingots, hot rolled products, bright bars, flanges, and other value-added products, serving end-user industries such as automotive, chemicals, defence, oil & gas, power, and railways. The company's diversified customer base mitigates sector-specific demand risks, while its DSIR-certified in-house R&D facility supports product development and process improvement.

Extensive experience of the promoters

MAL, incorporated in 1988, was listed on the SME platform in October 2023. The company's promoters have, on average, more than two decades of industry experience. The company is led by its Managing Director, Mr. Tushar Uttamchand Mehta, son of Mr. Uttamchand Chandanmal Mehta. He holds a Bachelor's degree in Mechanical Engineering and is responsible for overseeing the day-to-day operations and overall management of the company.

Weaknesses

Average Financial Risk Profile

The company's capital structure remained moderate, with adjusted tangible net worth increasing to Rs. 140.62 crore as on March 31, 2026. However, debt levels rose to Rs. 273.55 crore due to debt-funded capex and higher borrowings, resulting in an increase in Total Debt/EBITDA to 5.00 times as of Mar'26 from 4.45 times as of Mar'25 and TOL/TNW to 2.51 times as of Mar'26 from

2.46 times as of Mar'25. That said, the financial risk profile is expected to improve over the medium term, supported by debt reduction, steady accretion to net worth, and improving profitability.

Working capital-intensive nature of operations

MAL's operations remain working capital intensive, driven by the need to maintain adequate inventory levels and the long receivables cycle. As a result, the operating cycle elongated to 247 days in FY26 from 194 days in FY25, primarily due to higher inventory holding arising from supply chain disruptions and elevated raw material prices. While inventory levels are expected to normalize over the medium term, efficient working capital management remains a key monitorable.

Susceptibility to raw material price volatility

MAL's profitability remains exposed to fluctuations in stainless steel scrap and other key raw material prices, which are influenced by global demand-supply dynamics. Given the competitive industry environment, the company's ability to fully pass on cost increases is limited, resulting in margins remaining vulnerable to input price volatility. Nevertheless, MAL has demonstrated a moderate ability to pass on a portion of higher raw material costs, providing partial protection to profitability.

Liquidity – Adequate

MAL's liquidity is expected to remain adequate, supported by projected cash flow from operations of Rs. 27–58 crore during FY27–FY29, which is expected to comfortably cover annual debt repayment obligations of Rs. 25–30 crore. Nevertheless, liquidity remains constrained by the working capital-intensive nature of operations, reflected in high average working capital utilization of around 96% for the 12 months ended March 2026. The recently sanctioned GECL facility is expected to provide additional financial flexibility and support liquidity going forward.

Rating Sensitivities

Upward Factors

- Substantial and sustained improvement in the scale of operations and profitability margins

- Sustained improvement in debt protection metrics, with interest coverage improving above 4.0 times on a sustained basis
- Strengthening of capital structure, resulting improvement in overall gearing and TOL/ATNW levels.

Downward Factors

- Significant decline in the scale of operations and profitability margins
- Sustained deterioration in capital structure and debt protection metrics, with interest coverage remaining below 2.0 times.
- Any unplanned debt-funded capex resulting in significant deterioration in total debt to EBIDTA levels.

About the Company

MAL, an associate company of Unison Metals Limited, was incorporated in 1988 and subsequently converted into a public limited company in 1995. The company was listed on the SME platform in October 2023. MAL manufactures a diversified range of stainless-steel products, including ingots, bright and black round bars, bright bars, hexagonal and square bars, angle bars, flat bars, fasteners, and forgings. The company's products cater to diverse end-user industries such as oil and gas, pumps, and engineering. MAL primarily operates under a business-to-business (B2B) model.

Key Financial Indicators (Standalone):

For the year ended/ As on*	31-03-2025	31-03-2026
	Audited	Audited
Total Operating Income	431.47 [^]	437.91
EBITDA	52.90	54.67
PAT	13.28	14.68
Total Debt	235.22	273.55
Tangible Net Worth (TNW)	118.84 [^]	134.78
EBITDA Margin (%)	12.26	12.49
PAT Margin (%)	3.06	3.33
Overall Gearing (times)	2.12 [^]	2.19
Interest Coverage (times)	2.01	1.82

[^] There is variation in some of the above key financial indicators of FY25 compared to previously published Press Release (July 08, 2025) mainly on account of reclassification in income and assets as per the Audited financials of FY26.

*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](#)

[Policy on Withdrawal of Ratings](#)

Status of non-cooperation with previous CRA: NA

Any other information: NA

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 outstanding (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 2023-24
					July 08, 2025	November 22, 2024	May 01, 2024	-
1.	Fund based facilities	LT	170.79	IVR BBB/Stable	IVR BBB/Stable	IVR BBB/Negative	IVR BBB/Stable	-
2.	Non-fund based facilities	ST	11.36	IVR A3+	IVR A3+	IVR A3+	IVR A3+	-

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	Listing Status	Regulator^	Complexity Indicator
Term Loan -2	-	-	-	Apr 2029	1.41	IVR BBB/Stable	NA	RBI	Simple
TL-1	-	-	-	Feb 2030	1.67	IVR BBB/Stable	NA	RBI	Simple
TL-2	-	-	-	Dec 2026	0.37	IVR BBB/Stable	NA	RBI	Simple
TL-3	-	-	-	Jul 2028	0.96	IVR BBB/Stable	NA	RBI	Simple
TL-4	-	-	-	Aug 2028	1.68	IVR BBB/Stable	NA	RBI	Simple
TL-Solar	-	-	-	Oct 2035	8.00	IVR BBB/Stable	NA	RBI	Simple



GECL	-	-	-	May 2031	6.00	IVR BBB/Stable	NA	RBI	Simple
GECL	-	-	-	May 2031	2.00	IVR BBB/Stable	NA	RBI	Simple
GECL	-	-	-	May 2031	8.79	IVR BBB/Stable	NA	RBI	Simple
GECL	-	-	-	May 2031	7.79	IVR BBB/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	44.00	IVR BBB/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	30.00	IVR BBB/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	39.00	IVR BBB/Stable	NA	RBI	Simple
Cash Credit	-	-	-	-	10.00	IVR BBB/Stable	NA	RBI	Simple
LC	-	-	-	-	6.00	IVR A3+	NA	RBI	Simple
LC	-	-	-	-	4.00	IVR A3+	NA	RBI	Simple
CEL	-	-	-	-	1.36	IVR A3+	NA	RBI	Simple
Proposed Long Term	-	-	-	-	9.12	IVR BBB/Stable	NA	RBI	Simple
TL-5	-	-	-	-	0.00 (previously 0.74)	Withdrawn	NA	RBI	Simple
Term Loan -1	-	-	-	-	0.00 (previously 1.23)	Withdrawn	NA	RBI	Simple
TL-1	-	-	-	-	0.00 (previously 1.20)	Withdrawn	NA	RBI	Simple
TL-2	-	-	-	-	0.00 (previously 2.19)	Withdrawn	NA	RBI	Simple
TL-3	-	-	-	-	0.00 (previously 3.75)	Withdrawn	NA	RBI	Simple
TL-4	-	-	-	-	0.00 (previously 11.38)	Withdrawn	NA	RBI	Simple
EPC	-	-	-	-	0.00 (previously 10.00)	Withdrawn	NA	RBI	Simple

NA- Not Applicable

^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.

**Annexure 2: Facility wise lender details:**

https://infomericstorage.blob.core.windows.net/uploads/Len_Mangalam_Alloys15_Jul26_dc7377a6a6.pdf

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: NA**Annexure 4: List of companies considered for Consolidated/Combined analysis: NA****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.

Note: 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.

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