

## Mangalam Food Products

December 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	19.19	CARE B+; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB-; Stable and moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	40.00	CARE A4; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

\*Issuer did not cooperate; based on best available information

### Rationale & Key Rating Drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Mangalam Food Products (MFP) to monitor the rating vide e-mail communications dated October 08, 2025, October 27, 2025, October 31, 2025, November 05, 2025, November 28, 2025, December 02, 2025, December 09, 2025, December 12, 2025, December 13, 2025 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Limited (CareEdge Ratings) has reviewed the rating on the basis of the best available information which however, in CARE Ratings Limited (CareEdge Ratings)'s opinion is not sufficient to arrive at a fair rating. The ratings on MFP's bank facilities will now be denoted as '**CARE B+; Stable; ISSUER NOT COOPERATING/ CARE A4; ISSUER NOT COOPERATING**'.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of MFP are revised on account of non-availability of requisite information. Further, ratings remained constrained on account of its thin profitability margins which are further susceptible to raw material prices and its stretched liquidity. The ratings are further constrained by partnership nature of constitution, leveraged capital structure weak debt coverage indicators. Ratings, however, derive strength from long standing experience of promoters in the Agriculture-commodity business, established distributors network and moderate scale of operation.

**Analytical approach:** Standalone

**Outlook:** Stable

### Detailed description of key rating drivers:

At the time of last rating on December 31, 2024 the following were the rating strengths and weaknesses.

#### Key weaknesses

#### **Thin profitability margins which are further susceptible to raw material prices and weak debt coverage indicators**

MFP's profitability remained thin over the past three years, with a PBILDT margin ranging from 1% to 2.5% in last 3-4 years ended FY23. In FY24, the PBILDT margin was 2.5%, showing a year-on-year improvement of 119 basis points due to reduced overheads, better sales realization and higher manufacturing sales. With the moderate depreciation and interest and finance cost, profit after tax (PAT) margin remained low at 0.12% during FY24 (FY23:0.11%).

The GCA (Gross cash accruals) also remained low at Rs. 0.63 crore for FY24 (FY23: 0.74 crore). Key input of MFP is gram, moons and paddy, thus making its profitability highly sensitive to its price fluctuations since prices of these agriculture commodities are influenced by factors such as seasonality, monsoon conditions, and government policies.

With thin profitability, overall debt coverage indicators of the firm remained weak marked by total debt to GCA and PBILDT interest coverage of 64.76 (FY23: 55.92) and 1.16 (FY23: 1.36) respectively in FY24.

#### **Leveraged capital structure along with low net worth base and partnership nature of constitution**

The entity's capital structure stood leveraged, as marked by an overall gearing of 5.84x as on March, 31, 2024 (5.42x as on March, 31, 2023) due to high reliance on external debt. Its debt profile largely comprises external debt in the form of working

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

capital and unsecured loan (USL) from partners. However, considering USL to the tune of Rs. 8.30 crore as quasi capital. the adjusted overall gearing remained at 2.12x as on March 31, 2024.

The total outside liabilities to net worth stood high at 6.71x as on March 31, 2024 (6.02x as on March 31, 2023). The net-worth base of the firm remains low at Rs. 6.97 crore for FY24. (Rs. 7.60 crore for FY23) which restricts its financial flexibility.

Additionally, being a partnership firm, MFP is exposed to inherent risk of partners' capital being withdrawn, and firm being dissolved upon the death/retirement/insolvency of partners which may affect financial flexibility of the firm. During FY24, partners have withdrawn capital of Rs. 0.86 crore (infusion of capital of Rs. 0.88 crore in FY23).

### Key strengths

#### Experienced partners along with established operational track record in the food processing industry

MFP's is managed by four partners namely Rohit Agarwal, Rahul Agarwal, Priyanka Rohit Agarwal and Priyanka Rahul Agarwal with all of whom possess substantial experience in the food processing industry. With their long-standing presence in the agro processing sector, the partners have cultivated strong relationships with both customers and suppliers. Additionally, the partners are supported by a team of experts.

#### Moderate scale of operations backed by low customer concentration risk

The Total Operating Income (TOI) experienced a compounded annual growth rate (CAGR) of 21.85% over the past five years, ending in FY24. In FY24, TOI decreased by 7% to Rs. 200.44 crore compared to FY23, owing to a y-o-y volume de-growth because of decline in trading sales of Paddy. In H1FY25, the firm has booked sales of Rs. 94.48 crore. The sales to top 5 customers remain low at 15% of TOI for FY24 (FY23: 20%) indicating lower customer concentration risk. However, the firm does not have any major repeat customers because of the fragmented nature of industry.

**Assumptions/Covenants:** Not applicable

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

### Applicable criteria

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Definition of Default](#)

[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
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Agricultural Food & other Products	Other Agricultural Products

Madhya Pradesh based, Mangalam food Products (MFP) was incorporated on April 01, 2013 for processing of pulses (Gram and moong). The manufacturing facility is located at Hoshangabad, Madhya Pradesh with an installed capacity of 25,000 metric tonnes per annum for Gram dal and 25,000 metric tonne per annum for moong dal. The firm is currently managed by 4 partners namely Rohit Agarwal, Rahul Agarwal, Priyanka Rohit Agarwal and Priyanka Rahul Agarwal. The firm sells its products under the brand name of "Blue star" and "Swarna shankh".

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	H1FY25 (UA)
Total operating income	214.63	200.44	94.48
PBILDT	2.81	5.00	-
PAT	0.24	0.23	-
Overall gearing (times)	5.42	5.84	-
Interest coverage (times)	1.36	1.16	-

A: Audited UA: Unaudited; 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

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of various 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		-	-	-	16.00	CARE B+; Stable; ISSUER NOT COOPERATING*
Fund-based-Short Term		-	-	-	40.00	CARE A4; ISSUER NOT COOPERATING*
Term Loan-Long Term		-	-	April 2027	3.19	CARE B+; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; based on best available information.

#### 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-Short Term	ST	40.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4 (31-Dec-24)	-	-
2	Fund-based - LT-Cash Credit	LT	16.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (31-Dec-24)	-	-
3	Term Loan-Long Term	LT	3.19	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable (31-Dec-24)	-	-

\*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of the rated instruments/facilities:** Not Applicable

#### Annexure-4: Complexity level of the various instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based-Short Term	Simple
3	Term Loan-Long Term	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](mailto:care@careedge.in) for clarifications.

## Contact us

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