

November 28, 2025

Mazda Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long term – Fund based limits	0.50	0.50	[ICRA]A (Stable); reaffirmed
Long term/Short term – Non-fund based limits	30.38	30.38	[ICRA]A (Stable)/ [ICRA]A1; reaffirmed
Total	30.88	30.88	

*Instrument details are provided in Annexure I

Rationale

The reaffirmation of the ratings reflects Mazda Limited's (ML) established position in vacuum and evaporator systems and its strong relationships with reputed customers, which ensure repeat business. The ratings also factor in the company's consistent profitability, conservative capital structure, strong debt coverage metrics and robust liquidity, supported by sizeable liquid investments and adequate cushion in working capital limits.

The company's healthy order book of ~Rs. 240 crore as of September 2025, anchored by the ~Rs. 92-crore order from Riyadh, provides strong near-term revenue visibility. The execution of the large export contract is expected to drive growth and improve margins in the second half of the year. Over the medium term, the engineering division is expected to remain the primary growth driver, supported by the demand for vacuum systems and evaporator solutions, while the food division continues to scale gradually through product diversification and export traction.

The ratings, however, remain constrained by the company's relatively modest scale of operations with the revenues remaining in the range of Rs. 150-250 crore in the last five years. The ratings continue to be constrained by dependence on end-user capex cycles, the working capital-intensive nature of business, and exposure to competitive pressures and raw material price volatility. ICRA notes that the ability to sustain the growth momentum, improve operating efficiency and strengthen the food segment will be critical for maintaining a strong credit profile.

The Stable outlook on the [ICRA]A rating reflects ICRA's opinion that ML's revenues and accruals will be supported by its comfortable order inflow. Also, the company will continue to benefit from its established track record in the engineering segment.

Key rating drivers and their description

Credit strengths

Established position in vacuum and evaporator systems manufacturing – The company is one of the leading players in the vacuum and evaporator system market and has an established track record spanning over 30 years with a history of repeat orders from reputed customers. This, coupled with its continuous R&D capabilities, imparts ML with significant operating flexibility to adapt to the changing market conditions.

Healthy capital structure and coverage indicators with strong liquidity position – The company maintains a strong capital structure, supported by a substantial net worth of Rs. 235.28 crore as on September 30, 2025, and absence of debt obligations. The coverage metrics remain robust, aided by negligible interest expenses, resulting in an interest coverage ratio of 33.70 times. The liquidity is comfortable, backed by unutilised credit lines and cash and investments totaling Rs 75.08 crore as of the same date.

Reputed clientele and long-tenured relations along with track record of repeat business – The clientele of the company includes reputed names such as Croll Reynolds Company, Siemens Limited, SRF Limited, Triveni Turbine Limited, Lupin Limited, Vedanta Limited, Adani Wilmar Limited etc, that ensures repeat orders while the customer concentration remains moderate. Additionally, the company secured an export order worth Rs. 92 crore for the King Salman Park project in Riyadh – the largest single contract in its history – offering favourable margins of approximately 14%. This development not only bolsters the financial outlook for the current year but also enhances its strategic positioning in the West Asian market.

Credit challenges

Range-bound scale of operations – The company's operating income has consistently ranged between Rs. 150 crore and Rs. 250 crore over the past five years. In FY2025, it recorded revenues of Rs. 193.3 crore, marking a 14% decline compared to the previous year. The food division accounts for 10-20% of the overall revenue. Despite the recent dip, the outlook remains positive with healthy growth anticipated over the next two years, supported by a steady pipeline of domestic and export orders. Although smaller in scale, the food division is expected to sustain its upward momentum through strategic expansion in the export markets and selective penetration in domestic segments. During the first half of the current fiscal, the company achieved sales of approximately Rs. 100 crore, indicating stable progress.

Working capital-intensive business – The company's financial risk profile is marked by high working capital intensity with NWC/OI at 33% as on March 31, 2025, owing to the high inventory holding for its existing and new orders. Its liquidity profile remains robust with unencumbered cash balance and liquid investments and almost nil utilisation of cash credit limits. However, a better management of the inventory holding, which keeps the working capital cycle under check, will be a key rating sensitivity.

Intense competition and adverse fluctuation in raw material prices limits margin expansion – The market for industrial vacuum systems and evaporators remains fragmented and the company faces stiff competition from established players. However, the number of preferred manufacturers for high-end project use remains limited and ML is able to shield itself from domestic competition to some extent because of its established credentials and ability to provide customised products. Further, its margins are susceptible to the adverse variation in commodity prices such as steel as most of the orders are fixed cost in nature, which puts pressure on the margins at times.

Environmental and social risks

Environmental risks - The company is exposed to the risk of stringent regulations on environment, specifically pertaining to its raw material sourcing, operations and energy consumption. Given the safety and environment-related concerns associated with the industry, the company is exposed to the risk of tightening regulatory norms for production, water management and emission/waste management. While the company has a demonstrated track record of running its operations safely, the nature of the risk weighs on its rating.

Social risks - Social risk in this industry stems from the health and safety concerns of the employees involved in the manufacturing process. Entities like ML are also exposed to labour-related risks, and protests/social issues with the local communities could impact its operations. Although these issues have not hindered ML's operations in the past, lack of sensitivity in managing these risks could result in cost overruns.

Liquidity position: Strong

ML has a strong liquidity profile, supported by healthy cash accruals and sizeable unencumbered cash balance and liquid investments of Rs. 75.08 crore (after applying haircut) as of September 2025 and no debt repayments.

Rating sensitivities

Positive factors – ICRA could upgrade ML’s rating if the company demonstrates a significant improvement in its scale of operations and profitability on a sustained basis, along with an improvement in the working capital cycle.

Negative factors – Pressure on ML’s rating could arise if there is a decline in the scale of operations, along with a moderation in profitability and further stretch in the working capital cycle. Further, a higher-than-expected capital expenditure that significantly impacts the liquidity may result in a downgrade.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Mazda Limited (ML) was originally incorporated as Mazda Controls Private Limited in 1990. It is an Ahmedabad-based listed company promoted by Mr. Sorab R. Mody. It started its business with the manufacturing of valves. Over a period of time, it expanded its product portfolio to include vacuum systems, evaporator systems and other engineering products such as heaters, condensers, thermo compressors and pollution control equipment. In Q1 FY2011, the company sold its valves division to Circor. In FY2007, ML ventured into producing food products, such as energy drinks and soft drink concentrates, under the brand name of BCool and has been increasing its focus on the food division. It has five manufacturing facilities in Ahmedabad, Gujarat.

Key financial indicators (audited)

	FY2024	FY2025	H1 FY2026*
Operating income	225.43	193.26	100.47
PAT	31.52	24.85	12.50
OPBDIT/OI	17.67%	15.50%	13.63%
PAT/OI	13.98%	12.86%	12.44%
Total outside liabilities/Tangible net worth (times)	0.13	0.15	0.22
Total debt/OPBDIT (times)	0.00	0.00	0.00
Interest coverage (times)	73.26	55.89	33.70

Source: Company, ICRA Research; *Provisional Results; All ratios as per ICRA’s calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)			Chronology of rating history for the past 3 years					
	FY2026			FY2025		FY2024		FY2023	
	Type	Amount rated (Rs. crore)	Nov 28, 2025	Date	Rating	Date	Rating	Date	Rating
Fund based - Cash credit	Long term	0.50	[ICRA]A (Stable)	Aug 30, 2024	[ICRA]A (Stable)	Jun 30, 2023	[ICRA]A (Stable)	Apr 07, 2022	[ICRA]A (Stable)
Non-fund based - Others	Long term/ Short term	30.38	[ICRA]A (Stable)/ [ICRA]A1	Aug 30, 2024	[ICRA]A (Stable)/ [ICRA]A1	Jun 30, 2023	[ICRA]A (Stable)/ [ICRA]A1	Apr 07, 2022	[ICRA]A (Stable)/ [ICRA]A1
Unallocated limits - Unallocated limits	Long term/ Short term			-	-	-	-	Apr 07, 2022	[ICRA]A (Stable)/ [ICRA]A1

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term – Fund-based limits	Simple
Long term/Short term – Non-fund based limits	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	EPC/PCFC	NA	NA	NA	0.50	[ICRA]A (Stable)
NA	Bank guarantee	NA	NA	NA	30.00	[ICRA]A (Stable)/ [ICRA]A1
NA	Foreign currency exposure	NA	NA	NA	0.38	[ICRA]A (Stable)/ [ICRA]A1

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not Applicable

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