Press Release

Mantri Metallics Private Limited (MMPL)
August 12, 2025

Ratings

Instrument/ Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	45.75 (Reduced from Rs. 54.86)	IVR BBB- /Stable Outlook (IVR Triple B Minus with Stable outlook)	IVR BB / Stable Outlook (IVR Double B with Stable Outlook)	Rating Upgraded	Simple
Long Term Bank Facilities	0.00* (Reduced from Rs. 2.64)	-	IVR BB / Stable Outlook (IVR Double B with Stable Outlook)	Rating Withdrawn	Simple
Short Term Bank Facilities	21.00	IVR A3 (IVR A Three)	IVR A4 (IVR A Four)	Rating Upgraded	Simple
Total	**Rs. 66.75 Rupees Sixty-Six Crore and Seventy-Five Lakhs Only**				

**Withdrawn as No due certificate received from the lender*

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 has upgraded the ratings of Mantri Metallics Private Limited (MMPL), reflecting the promoters' strong experience and expertise in the automotive components industry, equity infusion of Rs. 15.00 crore in FY2025 and consistent healthy accruals. The ratings are also supported by a strong order book and established relationships with reputed customers and its presence in both domestic and export markets offer revenue diversification. However, the ratings remain constrained by exposure to foreign exchange fluctuations, cyclicality in the automotive industry, and intense competition that pressures margins.

Infomerics Ratings expects outlook to remain stable as MMPL will maintain stable operating performance and ensure adequate cash flow generation from operations to comfortably meet its debt servicing obligations.

Key Rating Sensitivities:

Upward Factors

- Significant growth in scale of business with improvement in profitability metrics thereby leading to overall improvement in cash accruals.
- Improvement in the capital structure along with improvement in debt service parameters

Downward Factors

- Decline in operating income and cash accrual, a stretch in the working capital cycle driven by pile-up of inventory or stretched receivables, or sizeable capital expenditure weakening the financial risk profile, particularly liquidity.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Experienced Promoters with In-Depth Expertise in the Automotive Components Industry**

  MMPL is promoted by Mr. Prasad Purushottam Mantri and Ms. Shruti Prasad Mantri, who bring with them extensive experience in the automobile industry. Their in-depth understanding of market dynamics, along with well-established relationships with both customers and suppliers, is expected to provide continued support to the company's overall business risk profile. The promoters' industry knowledge and network offer operational stability and are likely to aid in navigating market fluctuations effectively. Infomerics Ratings expects that the strong leadership and active involvement of the promoter and management will contribute significantly to the company's long-term success and growth.
- **Healthy cash accruals supported by a strong order book**

  MMPL reported a marginal decline of 1.31% in its total operating income, which stood at Rs. 278.30 crore in FY25 (Provisional) compared to Rs. 282.01 crore in FY24. The decline was mainly due to a reduction in product prices as the company passed on input cost savings to OEM customers. Fluctuations in steel prices and a drop in export revenues affected after Russia-Ukraine war also impacted revenue. However, this was partially offset by improved sales in the domestic market, which helped mitigate the overall impact on revenue. EBITDA margin improved slightly to 12.04% in FY25 (Prov.) from 11.92% in FY24, though EBITDA in absolute terms slightly moderate to Rs. 33.50 crore from Rs. 33.61 crore due to lower operating income. PAT improved to Rs. 11.91 crore in FY25 (Prov.) from a net loss of Rs. 4.06 crore in FY24 and PAT margin increased by 283 basis points to 4.27%. The losses in FY2024 were on account of deferred tax liability and one-time exceptional losses though cash accruals remain healthy. In FY2025, the company generated Gross Cash accruals of Rs. 17.43 crore.

MMPL has a healthy order book of Rs. 296.90 crore from both domestic and overseas markets, ensuring medium-term revenue visibility. The company's ability to scale up its operations with an increase in overall profitability will be a key rating monitorable going forward.

- **Established Relationships with Reputed Customers**

  MMPL's business risk profile continues to be supported by its long-standing relationships with well-established OEMs such as Tata Motors, Ashok Leyland, John Deere, Volvo, and Tata Cummins, among others. The association with a reputed client base not only reflects the company's credibility in the market but also contributes to the timely realization of receivables, thereby supporting its overall liquidity position.

- **Presence in Both Domestic and Export Markets Supporting Revenue Diversification**

  MMPL has established a diversified geographical presence, catering to both domestic and export markets. Exports contributed approximately 17% of the company's FY25(Prov), with the remainder derived from domestic sales. The company has demonstrated steady growth in its export business over the years and remains focused on expanding this segment, with exports expected to increase further in the coming years. This diversification supports revenue stability and provides growth opportunities.

Key Rating Weaknesses

- **Moderate capital structure albeit improving**

  The capital structure, as marked by the adjusted overall gearing ratio and adjusted TOL/ATNW, has improved to 1.50x and 5.44x, respectively, in FY25 (Provisional), compared to negative 6.58x and negative 17.19 x in FY24 (Audited). This positive shift is primarily driven by a combination of factors, including a fresh equity infusion of Rs. 15.00 crore, internal accruals from profit retention, and a reduction in overall debt levels to Rs. 29.98 crore in FY25 (Provisional), compared to Rs. 48.52 crore in FY24 (Audited). Further TOL/ATNW is expected to moderate further to below 3.0 owing to consistent track record of healthy profitability.

- **Vulnerability to Foreign Exchange Fluctuations**

  The company derives approximately 17 % of its revenues from exports to countries such as America, Brazil, Mexico, Germany, France, Sweden, UK, Australia and Europe. This international exposure makes it susceptible to regulatory risks stemming from changes in procurement policies in these markets, as well as foreign exchange fluctuation risks. However, the company benefits from a natural hedge through import-export linkages, and its forex exposure is almost fully hedged. This significantly mitigates the impact of currency volatility on its financial performance.

- **Exposure to cyclicality and competition in the Automotive Industry**

  The company remains exposed to the inherent cyclicality of the automotive industry, which is closely linked to overall economic performance. As a result, demand for its products may fluctuate with broader economic cycles, potentially impacting revenue visibility and profitability during periods of downturn in the auto sector. MMPL operates in a highly competitive automotive component industry, facing pricing pressures due to the presence of numerous domestic and international players. This intense competition continues to weigh on the company's operating margins. However, MMPL's long-standing relationships with key clients provide some cushion against competitive pressures. Additionally, the company's cost structure is significantly influenced by the prices of key raw materials, particularly iron and steel. Given the inherent volatility in steel prices driven by global demand-supply dynamics and broader macroeconomic factors the company's cash flows and profitability remain exposed to fluctuations in raw material costs.

Analytical Approach: Standalone

Applicable Criteria:

Rating Methodology for Manufacturing Companies.
Financial Ratios & Interpretation (Non-Financial Sector).
Criteria for assigning Rating outlook.
Policy on Default Recognition
Complexity Level of Rated Instruments/Facilities
Policy on Withdrawal of Rating

Liquidity – Adequate

The liquidity profile of MMPL is adequate, with expected gross cash accruals ranging from Rs. 23.95 crore to Rs. 26.11 crore in FY26 to FY28, against repayment obligations of Rs. 3.15 crore over FY26 and FY28. The current ratio stood at 1.22x as on March 31, 2025, (Prov) and the DSCR was comfortable at 1.14x in FY25 (Prov.). The average utilization of its fund-based working capital facilities was less than 90.00% during the 12 months ended May 2025, providing sufficient headroom.

About the Company

Mantri Metallics Private Limited (MMPL) incorporated on July 31, 1995. MMPL's primary line of business is production and distribution of auto parts primarily to original equipment manufacturer (OEMs). The company manufactures cast iron automotive components like Flywheel, Assemblies, Break Drums, Exhaust Manifolds, Housings & Plates etc. MMPL caters to a diversified segment viz., heavy & light commercial vehicles, tractors, passenger cars and non-automotive components for diesel engines and engineering products. MMPL has a production capacity of 37,200 MT of machined iron castings manufacturing over 200 different types of parts across 3 manufacturing facilities viz., 2 units located at Shiroli & Kagal in Kolhapur, Maharashtra and 1 unit located at Pantnagar in Rudrapur, Uttarakhand. MMPL has an integrated facility with all under one roof – foundry, machining, painting & sub-assembly. MMPL has full-fledged paint shop.

Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	282.01	278.30
EBITDA	33.61	33.50
PAT	-4.06	11.91
Total Debt	48.52	29.98
Adjusted Tangible Net Worth	-7.37	20.01
EBITDA Margin (%)	11.92	12.04
PAT Margin (%)	-1.44	4.27
Overall Adjusted Gearing Ratio (x)	-6.58	1.50
Interest Coverage (x)	2.44	2.51

** Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: None

Any other information: None

Rating History for last three years:

Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
	Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in in 2022-23
Long Term Bank Facilities	Long Term	45.75	IVR BBB-/Stable Outlook	IVR BB / Stable Outlook (June 19, 2024) & IVR BB / Stable Outlook (May 27-2024)	-	IVR BB / Stable Outlook (March 28, 2023)
Long Term Bank Facilities	Long Term	-	-	IVR BB / Stable	-	IVR BB / Stable

Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
	Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in in 2022-23
				Outlook (June 19, 2024) & IVR BB / Stable Outlook (May 27-2024)		Outlook (March 28, 2023)
Short Term Bank Facilities	Short Term	21.00	IVR A3	IVR A4 (June 19, 2024) & IVR A4 (May 27-2024)	-	IVR A4 (March 28, 2023)

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] 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.

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

Annexure 1: Instrument/Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Listing Status	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – GECL	--	-	-	November 2026	-	2.10	IVR BBB- /Stable Outlook
Long Term Bank Facilities – GECL	--	-	-	August 2025	-	0.11	IVR BBB- /Stable Outlook
Long Term Bank Facilities – Term Loan	--	-	-	December 2026	-	3.54	IVR BBB- /Stable Outlook
Long Term Bank Facilities – Term Loan	--	-	-	February 2026	-	0.10	IVR BBB-

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Listing Status	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
							/Stable Outlook
Long Term Bank Facilities – Term Loan	--	-	-	March 2026	-	0.09	IVR BBB- /Stable Outlook
Long Term Bank Facilities – Term Loan	--	-	-	September 2026	-	0.41	IVR BBB- /Stable Outlook
Long Term Bank Facilities – Term Loan	--	-	-	September 2026	-	0.90	IVR BBB- /Stable Outlook
Long Term Bank Facilities – Cash Credit	--	-	-	Revolving	-	38.50	IVR BBB- /Stable Outlook
Short Term Bank Facilities – SFC loan	--	-	-	Revolving	-	3.00	IVR A3
Short Term – Non-Fund Based – Bank Guarantee	--	-	-	Revolving	-	4.80	IVR A3
Short Term – Non Fund Based – Letter of Credit				Revolving	-	12.50	IVR A3
Short Term – Non-Fund Based – Forward Contract Limits				Revolving	-	0.70	IVR A3

Annexure 2: Facility wise lender details

https://www.infomerics.com/admin/prfiles/Len-Mantri-Metallics-12aug25.pdf

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

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.