

May 16, 2024

Mahansaria Tyres Private Limited: Ratings withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long term / Short term - Fund based / non-Fund based - Working Capital Facilities	150.00	150.00	[ICRA]BBB(Positive)/[ICRA]A3+; withdrawn
Total	150.00	150.00	

*Instrument details are provided in Annexure I

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **Mahansaria Tyres Private Limited** at the request of the company, and based on the No Objection Certificate (NOC) received from the bankers, and in accordance with ICRA's policy on withdrawal. ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key rating drivers, Liquidity position and Rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy on Withdrawal of Credit Ratings Rating methodology for Auto Component
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has combined the business and financial risk profiles of MTPL and its subsidiaries EATD GMB and Tyres International Inc as they are the distribution arms of the company in Europe and the US respectively; and hence, of business importance.

About the company

Mahansaria Tyres Private Limited is owned and promoted by the Mahansaria family, consisting of Mr. Ashok Mahansaria and his son, Mr. Yogesh Mahansaria. MTPL is engaged in manufacturing OHT and is sold under the in-house brand 'Ascenso' which currently is available in over 65 countries. The Mahansaria family has more than 30 years of experience in the tyre industry.

MTPL has setup a greenfield OHT Manufacturing plant (tyres used in agriculture and construction machinery) in Panoli, Gujarat (India). The facility, spread over 127 acres, is expected to have an install capacity of 70,000 MTPA which will be built in two phases. The company's product (tyre) range shall find application in agriculture, industrial & construction, material handling, earth movers and forestry segments.

In July 2020, MTPL acquired 60% stake in European Agriculture Tyre Distributors (EATD) GMBH. EATD is headquartered in Wallenhorst Germany, and will distribute MTPL's product range in Germany, Austria, Switzerland, Benelux, Poland, Slovakia, and the Czech Republic. Further, in July 2021, MTPL acquired 85% stake in Tyres International Inc. Tyres International Inc is

involved in the distribution of truck, agricultural, industrial & construction tyres with two warehouses based in Ohio and Nevada, USA.

Key financial indicators

Mahansaria Tyres Private Limited	Standalone		Consolidated	
	FY2022	FY2023	FY2022	FY2023
Operating income	371.2	503.9	784.2	1,001.7
PAT	-7.2	-5.6	-12.5	-10.4
OPBDIT/OI	10.4%	15.4%	4.6%	10.0%
PAT/OI	-1.9%	-1.1%	-1.6%	-1.0%
Total outside liabilities/Tangible net worth (times)	0.7	0.7	0.9	1.0
Total debt/OPBDIT (times)	9.6	5.2	14.2	5.7
Interest coverage (times)	3.0	2.0	2.4	2.2

Source: Company; ICRA Research; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2025)		Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Amount outstanding as on March 31, 2024 (Rs. crore)	Date & rating in FY2025	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022
				May 16, 2024	June 12, 2023	April 11, 2022	-
1 Working Capital Facilities - CC/ WCDL/ EPC/ PCFC/ BG/ LC/ Buyer's Credit/ FBP	Long-term/ Short-term	150.00	-	[ICRA]BBB(Positive) / [ICRA]A3+; Withdrawn	[ICRA]BBB(Positive) / [ICRA]A3+	[ICRA]BBB(Stable)/ [ICRA]A3+	-
2 Unallocated	Long-term/ Short-term	00.00	-	-	-	[ICRA]BBB(Stable)/ [ICRA]A3+	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term / Short Term - Working Capital Facilities - CC/ WCDL/ EPC/ PCFC/ BG/ LC/ Buyer's Credit/ FBP	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 Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Working Capital Facilities - CC/ WCDL/ EPC/ PCFC/ BG/ LC/ Buyer's Credit/ FBP	NA	NA	NA	150.00	[ICRA]BBB(Positive)/[ICRA]A3+; withdrawn

Source: Company

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

Annexure II: List of entities considered for consolidated analysis:

Company Name	Ownership	Consolidation Approach
Mahansaria Tyres Private Limited	100.00%	Full Consolidation
Tyres International Inc	85.00%	Full Consolidation
European Agriculture Tyre Distributors GmbH (EATD)	60.00%	Full Consolidation

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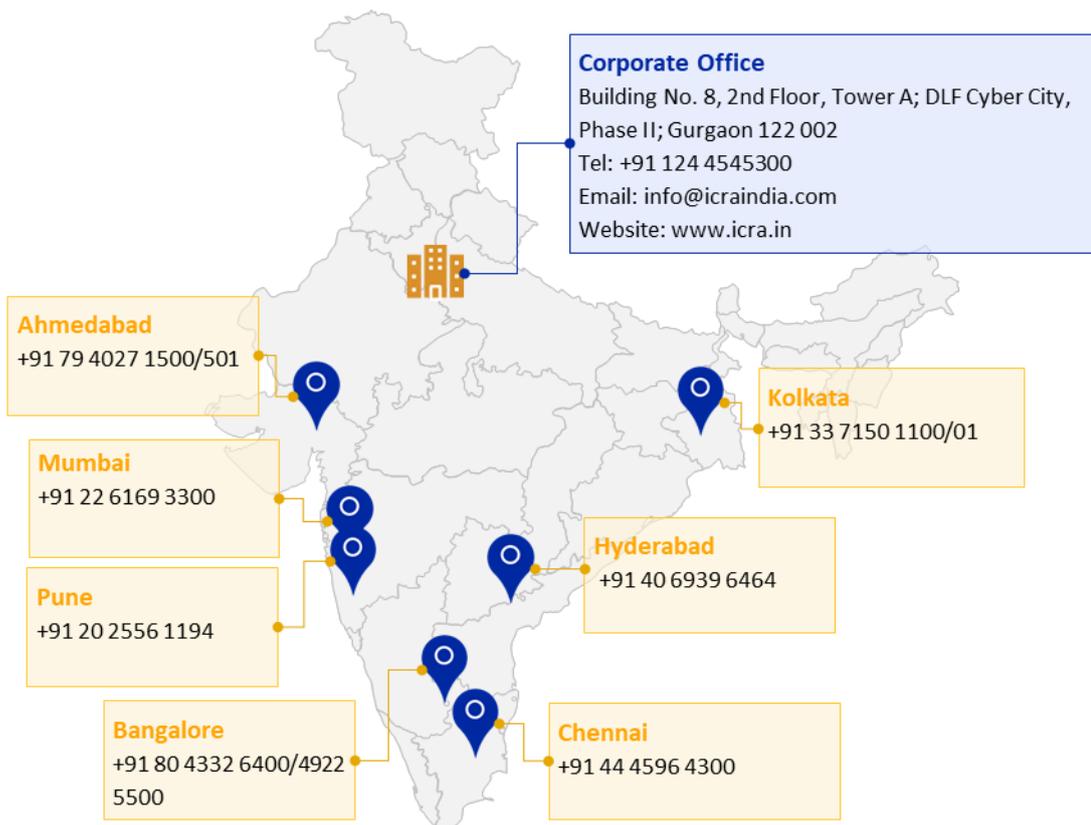
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