

A.S. Motors Private Limited

March 26, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	21.56	CARE BB-; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	43.44	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	LT rating downgraded from CARE BB; Stable and ST rating reaffirmed and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1

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

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from A.S. Motors Private Limited (ASMPL) to monitor the rating(s) vide e-mail communications dated March 02, 2026, February 26, 2026, February 18, 2026, February 11, 2026, February 03, 2026, January 08, 2026 and numerous phone calls. However, despite our repeated requests, the company 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. Further, ASMPL has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. The ratings on ASMPL's bank facilities will now be denoted as '**CARE BB-; Stable; ISSUER NOT COOPERATING**' AND '**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 A.S. Motors Private Limited (ASMPL) has been revised on account of non-availability of requisite information. The ratings assigned to bank facilities of ASMPL continue to remain constrained on account of its leveraged capital structure with modest debt coverage indicators and stretched liquidity in FY25 (Audited refers to the period from April 01 to March 31). The ratings further remained constrained on account of geographical concentration of operations, and dependency of the company on the fortunes of the principals with whom it has low bargaining power. Ratings also continue to remain constrained on account of company's presence in the competitive and cyclical auto dealership industry. The ratings, however, continue to derive strength from the established track record and extensive experience of promoters in the automobile dealership industry, growing scale of operations albeit low profitability.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers

At the time of last rating on February 21, 2025, the following were the rating strengths and weaknesses (updated from the information available from ROC)

Key weaknesses

Leveraged capital structure with modest debt coverage indicators

Capital structure of the company stood leveraged as marked by overall gearing at 4.27x as on March 31, 2025 as against 3.05x as on March 31, 2024 due to increased debt levels mainly in form of working capital debt. ASMPL is required to maintain optimal inventory of vehicles and spare parts to meet the customer demand and unforeseen supply shortage, resulting in high working capital intensity in company's operations. This coupled with the low profitability inherent in the auto dealership industry, leads to modest debt coverage indicators for the company as marked by TD/GCA of 22.78 years during as on March 31, 2025 as against 14.51 years as on March 31, 2024 and PBILDT Interest Coverage ratio of 1.18x in FY25 as against 1.12x in FY24.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Geographical concentration of operations

The operations of ASMPL are majorly concentrated in Madhya Pradesh, with two showrooms each for Hyundai Motor India Limited (HMIL) and Honda Motorcycles and Scooters India Private Limited (HMSI) in Gwalior and one showroom each for HMIL and HMSI in Bhind. However, company has a long-standing association with both the principals of nearly a decade.

Limited bargaining power with the principals

ASMPL's business model is largely in the nature of trading wherein profitability margins are very thin. Moreover, auto dealers have low bargaining power over their principals. The margin on products is set at a particular level by the principal manufacturer, thereby restricting the company to earn incremental income. Further, the fortunes of auto dealers rest on the performance of the principals and the acceptability of their products in the market. Hence, performance and prospects of ASMPL is highly dependent on the fortunes of HMIL and HMSI.

Inherently competitive and cyclical nature of the auto industry

The Indian automobile industry is highly competitive in nature owing to a large number of players operating in the market. With low set-up cost and no major entry barriers, emergence of new dealers is very imminent, further aggravating the competition faced from existing dealers of other OEMs. To offset the same, dealers must come up with extra discounts, which creates margin pressure and negatively impacts the earning capacity of the company. Furthermore, the auto industry is inherently vulnerable to the economic cycles and is highly sensitive to interest rates and fuel prices. The company thus faces significant risks associated with such cyclical nature of the auto industry.

Key strengths**Experienced promoters and established track record of operations**

ASMPL is promoted by Mr. Sanjay Garg and Ms. Anjali Garg who have experience of more than two decades in the automobile dealership business. Since 2013, Mr. Vinayak Garg (son of Mr. Sanjay Garg) is also actively involved in business. Mr. Sanjay Garg and Mr. Vinayak Garg look after the day-to-day operations and finance whereas Ms. Anjali Garg looks after the administration of the company. The group is also engaged in the hospitality industry and runs a hotel under the brand name of 'The Vinayak' in Gwalior, Madhya Pradesh.

Growing scale of operations albeit low profitability

ASMPL has reported growth of 8.49% in its total operating income (TOI) due to improved demand of its products and stood at Rs.278.03 crore for FY25 as against Rs. 256.28 crore during FY24. Profitability of the company stood low due to auto dealership nature of business as marked by PBILDT margin of 3.41% against 3.55% in FY24. Further due to increased depreciation charges, PAT margin has declined to 0.59% in FY25 as against 0.81% in FY24.

Liquidity: Stretched

Liquidity of ASMPL stood stretched as marked by tightly matched gross cash accruals vis-à-vis debt repayments obligations. Given the high working capital requirements inherent in the auto dealership industry, the operating cycle of ASMPL remained elongated at 59 days during FY25 (37 days during FY24). The company registered negative CFO Of Rs. 25.49 crore in FY25 due to blockage of funds into receivables and inventories. Further, the company can derive comfort from cash and bank balance of Rs. 13.93 crore as on March 31, 2025 as against Rs. 17.43 crore as on March 31, 2024.

Assumptions/Covenants: Not applicable

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

Applicable Criteria

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

[CARE Ratings' Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Financial Ratios – Non-Financial Sector](#)

[CARE Ratings' Criteria for Rating Auto Dealers](#)

[CARE Ratings' Criteria on Rating of Short Term Instruments](#)

[Liquidity Analysis of Non-Financial Sector Entities](#)

About the firm and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer Discretionary	Automobile and Auto Components	Automobiles	Auto Dealer

Gwalior-based A.S. Motor Private Limited (ASMPL) was incorporated in 1988 by Mr. Sanjay Garg. Till June 2014, ASMPL operated a dealership of Tata Motors Limited's (TML) passenger cars. From July 2014, ASMPL discontinued the same and took dealership of Hyundai Motor India Limited (HMIL) for passenger cars and Honda Motorcycles and Scooters India Private Limited (HMSI) for two wheelers. Currently, ASMPL has three showrooms each for HMIL and HMSI located in Madhya Pradesh and provides after sales services and spare parts at its outlets for both principals.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	256.28	278.03
PBILDT*	9.10	9.48
Profit after tax (PAT)	2.08	1.65
Overall gearing (x)	3.05	4.27
Interest coverage (x)	1.12	1.18

A: Audited 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-Term Loan		-	-	October 2026	4.25	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Working capital Term Loan		-	-	June 2036	17.31	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Working Capital Limits		-	-	-	13.15	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-Working Capital Limits		-	-	-	30.29	CARE BB-; Stable / CARE A4; 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 - LT/ ST- Working Capital Limits	LT/ST	13.15	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (21-Feb-25) 2)CARE BB; Stable / CARE A4 (06-Feb-25)	-	-
2	Fund-based - LT/ ST- Working Capital Limits	LT/ST	30.29	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4 (21-Feb-25) 2)CARE BB; Stable / CARE A4 (06-Feb-25)	-	-
3	Fund-based - LT-Term Loan	LT	4.25	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (21-Feb-25)	-	-
4	Fund-based - LT-Working capital Term Loan	LT	17.31	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable (21-Feb-25)	-	-

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

LT: Long term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT-Working capital Term Loan	Simple
3	Fund-based - LT/ ST-Working Capital Limits	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 for clarifications.

Contact us

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