Rating Rationale

10th September 2026

Gulzar Motors Pvt. Ltd.

Brickwork Ratings is upgrading & assigning the long-term & short term ratings for the Bank Loan Facilities of Rs. 125.00 crores, respectively, for Gulzar Motors Pvt. Ltd.

Facilities**	Tenure	Amount (Rs. Crs)		Rating#		Name of the Regulator
		Previous	Present	Previous (19-August-2025)	Present	
Fund Based						
Asset Power (LAP)-Outstanding	Long Term	0	**29.72**	-	**BWR BBB-/Stable/ Assignment**	RBI
Working Capital Term Loan- Outstanding		0	**4.99**	-	**BWR BBB-/Stable/ Assignment**	RBI
IND ECLGS-Outstanding		0	**1.96**	-	**BWR BBB-/Stable/ Assignment**	RBI
Cash Credit- Sanctioned		6	**5**	BWR B-/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	**BWR BBB-/Stable/ removal from ISSUER NOT COOPERATING* category/ Upgraded**	RBI
Cash Credit- Proposed		0	**5**	-	**BWR BBB-/Stable/ Assignment**	RBI
Stand by Line of Credit		1	**0**	BWR B-/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	**Withdrawal**	RBI
ECGLS -Proposed		0	**2.5**	-	**BWR BBB-/Stable/ Assignment**	RBI
Electronic Dealer Finance System (e-DFS) - Sanctioned		7.5	**2**	BWR B-/Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	**BWR BBB-/Stable removal from ISSUER NOT COOPERATING* category/ Upgraded**	RBI
Electronic Dealer Finance System (e-DFS) - Proposed		0	**4.83**	-	**BWR BBB-/Stable/ Assignment**	RBI
Channel Finance -Sanctioned	Short Term	0	**20**	-	**BWR A3/ Assignment**	RBI
Dealer Finance Scheme (Bill Discounting) -Sanctioned		0	**10**	-	**BWR A3/ Assignment**	RBI
Dealer Finance Overdraft -Sanctioned		0	**25**	-	**BWR A3/ Assignment**	RBI
Inventory Funding Facility -Sanctioned		0	**14**	-	**BWR A3/ Assignment**	RBI
Sub-Total		**14.5**	**125**	**(Rupees One Hundred twenty five Crores only)**		

Non-Fund Based						
Bank Guarantee	Short Term	1.5	**0**	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	**Withdrawal**	RBI
Sub Total		**1.5**	**0**			
Grand total		**16**	**125**	**(Rupees One Hundred twenty five Crores only)**		

Note:

1. Please refer to BWR website www.brickworkratings.com for the definition of the ratings
2. Refer to Annexures I, II, and III for details of rated bank loan facilities, debt instruments, and the List of Entities Consolidated**.**

RATING ACTION/OUTLOOK

Brickwork Ratings assigns the long-term and short-term ratings of "BWR BBB-/Stable" and "BWR A3" for the Bank Loan Facilities of Rs. 125.00 Crs. for Gulzar Motors Pvt. Ltd. Additionally, BWR has withdrawn the ratings for bank loan facilities amounting to Rs. 2.5 Crores based on a confirmation received from SBI Bank. The withdrawal of the ratings complies with the BWR Withdrawal policy.

The ratings are supported by the company's experienced promoters, Mr. Harkirat Singh and Ms. Ramneek Baweja, who brings a proven operational track record of over two decades in the specialized automobile segment.

The rating outlook is assigned as "Stable," reflecting BWR's expectation that Gulzar Motors Pvt. Ltd. business risk profile will remain steady over the medium term. A stable outlook indicates a low probability of a rating change during this period. The outlook may be revised to "Positive" if the company achieves sustained improvement in revenue and profitability margins, while it may be revised to "Negative" in the event of a deterioration in its financial risk profile.

KEY COVENANTS OF THE INSTRUMENT/FACILITY

There are standard covenants as per the sanction letter**.**

ANALYTICAL APPROACH & APPLICABLE RATING CRITERIA

Analytical Approach	Comments
Applicable Rating Criteria	• General Criteria • Approach to Financial Ratios • Service Sector • Short Term-Debt • Trading Companies • BWR Withdrawal Policy
Parent/Group/Government Support	NA
Analytical Approach (Consolidation/Standalone)	Standalone

KEY RATING DRIVERS WITH DETAILED DESCRIPTION

Credit Strengths:

- **Long Operational Track Record and Extensive Experience of the Directors :**

All the Directors belong to the same family and, backed by their long-standing experience, the management is expected to have a clear succession plan and structured governance framework in place, ensuring business continuity. The promoters' rich industry experience has enabled the company to develop strong marketing capabilities and maintain healthy relationships with various reputed customers and suppliers.

- **Strong OEM Backing with Long-Standing Relationship -** Presence of almost two decades from Year 1996 in the automotive dealership business has enabled the promoters to maintain a healthy relationship with the key supplier, Maruti Suzuki India Ltd (MSIL; 'Crisil AAA/Stable/Crisil A1+'), along with currently operating 6 showrooms & 6 service centres in Ludhiana Region and one showroom & workshop in Khanna (Punjab).

Credit Risks:

- **Cyclical and competitive nature of the auto industry-**

The automotive industry is influenced by economic growth, credit conditions, and consumer confidence. It is inherently vulnerable to economic cycles and highly sensitive to interest rates and fuel prices. Fuel price hikes directly affect the running costs of vehicles, reducing consumers' disposable income and influencing their purchasing decisions. Furthermore, the industry is highly competitive,with numerous auto brands such as Hyundai, KIA Motors, Mahindra & Mahindra, among others.

- **Limited bargaining power with the principal automobile manufacturer:**

The company's business model is primarily centered around auto dealerships, which is largely a trading-based model with thin profit margins. Additionally, dealers have limited bargaining power with the principal manufacturer. The product margins are predetermined by the manufacturer, leaving little room for the company to generate additional income.

RATING SENSITIVITY FACTORS

Going forward, the company's ability to manage working capital efficiently, improve the scale of operations, and improve and maintain profitability, along with the debt servicing capability and liquidity, will be key rating-sensitive.

Upward Factors :

- A rating upgrade may be triggered by sustained growth in scale of operations, with total operating income exceeding Rs. 500 Crs, accompanied by PAT Margin above 1.5% and TOL/TNW below 3x.

Downward Factors :

- A rating downgrade may be triggered by a material decline in scale of operations with TOI falling below Rs. 400 Crs, coupled with net profit margins declining below 1%.
- Any increase in leverage, with TOL/TNW deteriorating above 3x, indicating weakening of capital structure.

LIQUIDITY POSITION - Adequate

Gross cash accruals are Rs. 5.61 crores against the current portion of long-term debt (CPLTD), which stands at 1.85 in FY26. In addition, the company does not have any major capex plans in the next 2-3 years, which will act as a cushion for liquidity. The current ratio is at around 1.67 times on March 31, 2026.

Considering the above factors, the company's liquidity position is assessed as Adequate.

ENVIRONMENTAL, SOCIAL, GOVERNANCE (ESG) PRACTICES

Environmental: Gulzar Motors Pvt. Ltd. does not face any significant direct physical climate risk in its dealership operations. However, as an authorised dealer operating workshops handling automotive fluids, lubricants, and waste materials, the company remains subject to environmental compliance requirements. The company holds a valid Pollution Control Certificate, providing a degree of assurance on its environmental compliance framework.

Social: Gulzar Motors Pvt. Ltd. faces industry-wide social risks related to consumer safety and evolving regulatory standards applicable to passenger vehicle dealerships. The business is dependent on after-sales service operations, requiring adherence to occupational safety norms across its workshop facilities.

Governance: The firm is managed by partners with over three decades of experience in the automobile dealership industry. The firm is audited by an independent Chartered Accountant firm with no adverse remarks observed. The company has proactively obtained requisite statutory approvals and licenses, demonstrating a disciplined approach to regulatory adherence and corporate governance.

COMPANY/FIRM PROFILE

Industry Classification			
Macroeconomic Indicator	**Sector**	**Industry**	**Basic Industry**
Consumer Discretionary	Automobile and Auto Components	Automobiles	Auto Dealer

Gulzar Motors Pvt. Ltd. was incorporated in 1996 and is headquartered in Ludhiana, Punjab. Gulzar Motors Private Limited operates as an authorized 3S (Sales, Service, and Spares) dealer for Maruti Suzuki India Limited. The company has a well-established regional footprint across Punjab, operating multiple Arena and Nexa showrooms alongside integrated workshops. Managed by experienced promoters Mr. Harkirat Singh, Ms. Ramneek Baweja, and Arjun Singh Baweja. Mr. Harkirat Singh has nearly three decades of automotive retail experience; the dealership operates on a moderate financial scale

KEY FINANCIAL INDICATORS

Standalone Financial Indicators (in ₹ crore)	Units	FY 23-24 (A)	FY 24-25 (A)	FY 25-26 (P)

Operating Revenue	Rs.Crs.	311.28	336.9	435.33
EBITDA	Rs.Crs.	9.48	11.97	14.01
PAT	Rs.Crs	3.05	3.39	4.46
Tangible Net worth	Rs.Crs.	19.04	22.43	26.89
Total Debt/ Tangible Net worth	Times	3.29	3.29	2.97
Current Ratio	Times	1.18	1.13	1.67

A: Audited UA: Unaudited NA: Not Available; Note: these are latest available financial results P: Provisional *PBILDT: Profit before interest, lease rentals, depreciation and tax. All ratios as per BWR's calculations; Amount in ₹ crore.

RATING HISTORY FOR THE LAST THREE YEARS

	Current Rating (2026)			Rating History					
				2025		2024		2023	
Instrument	Tenor	Amount (₹. Crore)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	Long term	56.00	BWR BBB-/Stable/Assignment	19Aug2025	BWR B- Stable (Continues to be in ISSUER NOT COOPERATING * category/Downgraded)	30May2024	BWR B Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	29May2023	BWR B+ Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)
	Short term	69.00	BWR A3/Assignment		-		-		-
Non-Fund Based	Short Term	0	Withdrawal	19Aug2025	BWR A4 (Continues to be in ISSUER NOT COOPERATING * category/Reaffirmed)	30May2024	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)	29May2023	BWR A4 (Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed)
Grand Total		125.00	(Rupees One Hundred Twenty-five Crores only)						

COMPLEXITY LEVEL OF THE RATED INSTRUMENTS

Instrument	Complexity Indicator
Fund Based	Simple
Non-Fund Based	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 BWR's website www.brickworkratings.com/download/ComplexityLevels.pdf

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY (IF ANY):

Gulzar Motors Pvt. Ltd is non-cooperative with the CARE ratings.

ANY OTHER INFORMATION: None

Contacts	
Analyst Team Contact Shyam Sunder Narang *Associate Director - Ratings* shyam.n@brickworkratings.com Divyanshu Pandey *Rating Analyst* Divyanshu.p@brickworkratings.com	**Relationship Contact** **Client Support** *clientsupport@brickworkratings.com*

Annexure I: Details of Bank Loan Facilities

(Amount in Rupees Crore)

S. No	Name of Bank	facilities	Tenor	Amount	Regulator
1	Axis Bank	Asset Power BRE (LAP)-Outstanding	Long Term	29.72	RBI
2	Bank of Baroda	Overdraft- Sanctioned	Short Term	25.00	RBI
3	Bank of Baroda	Working Capital Term Loan (ECLGS)-Outstanding	Long Term	4.99	RBI
4	ICICI	Inventory Funding - Sanctioned	Short Term	14.00	RBI
5	ICICI	ECLGS- Proposed	Long Term	2.5	RBI
6	Indian Bank	Dealer Finance Scheme (Bill Discounting) -Sanctioned	Short Term	10.00	RBI
7	Indian Bank	ECLGS- Outstanding	Long Term	1.96	RBI
8	SBI	Cash Credit- (Sanctioned)	Long Term	5.00	RBI
9	SBI	Cash Credit -(Proposed)	Long Term	5.00	RBI
10	SBI	EDFS - Sanctioned	Long Term	2.00	RBI
11	SBI	EDFS - Proposed	Long Term	4.83	RBI
12	Union Bank	Channel Finance- Sanctioned	Short Term	20.00	RBI
Total				125.00	

ANNEXURE II: Details of Instruments/Facilities

Name of the Instrumen t / Facility	Long Term/Shor t Term	ISI N	Date of Issuance	Coupo n Rate (%)	Maturit y Date	Size of the Issue (₹ cr)	Rating Assigned and Rating Outlook	Regulator
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL-

ANNEXURE III: List of Entities Consolidated

Name of Entity	% ownership	Extent of consolidation	Rationale for consolidation
NIL	NIL	NIL	NIL

Annexure IV: List of Instruments and Names of Regulators of the Instruments

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

No.	Instrument/Activity Name	Regulator of the Instruments
1	Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI)* $	RBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)*	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)*	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs ^	RBI
9	External Commercial Borrowings and other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs,HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Borrowing programme ~	-
15	Issuer Ratings #	-
16	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
17	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18	Listed Security Receipts $	RBI
19	Unlisted Security Receipts	RBI
20	Independent Credit Evaluation (ICE)	RBI
21	Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI

22	Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	MCA
23	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.
~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), Brickwork Ratings India Private Limited (BWR) shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated Feb 10, 2026 and the investor side regulators have accordingly been included.
$ By virtue of the instrument being listed, SEBI acts as the regulator for listing and related issues.

Grievance Management
For any grievances relating to rating of instruments regulated by SEBI, please contact sebigrievance@brickworkratings.com. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

For any grievances relating to rating of instruments regulated by other FSR (Financial Services Regulators), please contact grievance@brickworkratings.com

Disclosure of Conflict of Interest
BWR Board of Directors have no influence over rating decisions, nor do they sit on the rating committees or review, discuss, or evaluate any credit ratings during the Board meetings.

About Brickwork Ratings
Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI]. BWR is the 5th agency to get a credit rating registration in India in 2009 and its corporate office in Bengaluru. It has a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. Canara Bank is Brickwork's strategic partner.

Brickwork offers credit ratings of Bank Loan, Non- convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporate and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

Disclaimer

Nature of Ratings & Information: BWR ratings are opinions on the relative ability of an entity/instrument to meet its financial obligations and are based on information obtained from issuers and other sources believed to be reliable. BWR does not conduct audits, due diligence, or independent verification of such information and does not guarantee its accuracy, adequacy, or completeness. Ratings are current only as of the date of publication and may be revised based on new or unavailable information.

No Advice or Recommendation: Ratings, reports, and related communications are not investment advice and do not constitute recommendations to buy, sell, or hold securities, or to sanction, renew, or disburse credit facilities. They do not represent offers or solicitations for any transaction. Users must rely on their own independent judgment and professional advice. Access to or use of these materials does not create any client relationship with BWR.

Liability, Usage & Regulatory Framework: This content is published for the purpose of dissemination of information as required under applicable laws and regulations. BWR holds exclusive copyright over the content. It may be used with appropriate credit to BWR, provided that the content is not altered or modified in any way that could change its meaning or intent. BWR retains the exclusive right to distribute or share its rating rationales, directly or indirectly, through any print, digital, or electronic media. All reports are provided on an "as is" basis without warranties of any kind, express or implied, including but not limited to merchantability, fitness for a particular purpose, or non-infringement. BWR and its affiliates shall not be liable for any direct, indirect, incidental, or consequential losses or damages arising from the use of these reports. Ratings are subject to continuous surveillance and may be revised, suspended, or withdrawn at any time without notice. These reports are intended for use within India only. BWR operates under SEBI Regulations and Code of Conduct.

For more information on policies and ratings, please visit our website **www.brickworkratings.com**