

Rating Rationale

19 May 2026

A2Z Autowheels Pvt Ltd

Brickwork Ratings removes the ratings from the Issuer Not Cooperating category, upgrades and assigns ratings for bank loan facilities of Rs. 60.57 Crs., and withdraws the ratings for the bank loan facilities of Rs. 3.29 Crs. of A2Z Autowheels Pvt Ltd.

Particulars:

Facilities**			Tenure		
	Previous	Present		Previous(07-Oct-2025)	Present
Fund Based					
Secured Overdraft against Hypothecation -Sanctioned	23.00	45.00	Long-Term	BWR BB-/Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	BWR BBB- /Stable removal from ISSUER NOT COOPERATING* category/Upgraded
GECL 2.0 -Sanctioned	2.60	00.57		BWR BB-/Stable Continues to be in ISSUER NOT COOPERATING* category/Reaffirmed	
Covid -19 Emergency Line Credit -Sanctioned	3.29	0.00			Withdrawal
Overdraft -Sanctioned	0.00	15.00	Long-Term	-	BWR BBB-/Stable Assignment
Sub Total (Fund Based)	28.89	60.57			
Grand Total	28.89	60.57	(Rupees Sixty Crores and Fifty Seven lakhs Only)		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

** Details of Bank Loan facilities is provided in Annexure-I

RATING ACTION / OUTLOOK

BWR has withdrawn the long-term rating for the previously rated term loan of Rs. 3.29 Cr., which has now been closed based on NDC confirmation. Brickwork Ratings has removed the ratings from the "Issuer Not Cooperating" category, and upgraded and assigned a rating of "BWR BBB-/Stable" for the bank loan facilities of Rs. 60.57 Cr. Brickwork Ratings has relied on the audited financials of A2Z Autowheels Pvt. Ltd. for FY24 and FY25, alongside other information furnished by the client and its bankers, to arrive at the present ratings. The rating factors in the directors' extensive industry experience and the moderate financial risk profile of the company. However, the rating is constrained by intense industry competition, volatility in raw material prices, and low profitability margins. Going forward, the company's ability to improve its revenue profile and strengthen its financial risk profile will remain the key rating sensitivities. The rating outlook has been assigned as "Stable" as BWR believes that A2Z Autowheels Pvt Ltd.'s business risk profile will be maintained over the medium term.

The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenue and profitability margins show sustained improvement. The rating outlook may be revised to 'Negative' if the financial risk profile goes down.

KEY RATING DRIVERS

Credit Strengths:-

- **Experienced Management and Track Record :**

The company is led by experienced directors Mr. Vivek Veerbhan (54) and Mr. Pankaj Veerbhan (47). Both hold MBA degrees and bring 24 and 20 years of industry experience, respectively. Their extensive domain knowledge and long-standing involvement in the sector provide a foundation of strong leadership and strategic vision. Furthermore, the directors' seasoned expertise ensures operational efficiency and empowers the company to navigate complex industry dynamics with confidence.

- **Moderate financial risk profile :**

The company has reported Rs. 271.99 Cr of Operating Income and Rs. 1.39 Cr of Net profit in FY2025, reflecting stable operational performance and healthy profitability. The company has net cash accruals of Rs. 1.91 Cr indicating comfortable liquidity for meeting short-term debt obligations. The company's Tangible Net Worth stands at Rs.13.66 Cr. ISCR and DSCR stood at 1.63 times and 1.29 times, respectively, in FY2025, highlighting the company's adequate debt servicing capacity.

- **Established Dealership :**

As an authorized dealer in Western Uttar Pradesh, the company leverages its established track record with Mahindra & Mahindra to maintain consistent sales volumes and a competitive market position.

Credit Risks:-

- **Thin Profitability Margins and high dependence on single principal :**

The auto dealership business operates on thin margins, which limits internal accruals and financial flexibility. Revenue is largely dependent on a single OEM (Mahindra & Mahindra), exposing the company to significant concentration risk.

- **Intense competition, regional concentration, and cyclical industry exposure :**

The company operates in a highly fragmented automobile dealership sector, characterized by a heavy presence of both same-brand competitors and rival manufacturers within a specific geography. Such regional concentration, combined with intense competition, may constrain growth and exert significant pressure on profit margins. To maintain sales volumes in this environment, the company may be forced to offer aggressive discounts and promotional schemes, which could adversely impact overall revenue and profitability.

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has considered the standalone approach for the company. BWR has applied its rating methodology as detailed in the rating criteria.

RATING SENSITIVITIES

Going forward, the company's ability to improve its revenue profile and strengthen its financial risk profile will remain the key rating sensitivities.

Positive:

- Improvement in operating income by 20% and maintaining the profitability margins as per the industry norms, along with adequate cash accruals.
- Improvement in the leverage ratios, such as Total Debt/TNW decreasing below 2.00x and maintaining current ratio at satisfactory level.

Negative:

- A decline of 10% or more in revenue, and an OPBDIT margin falling below 2.00%.
- Decline in the current ratio below 1.00x will be negative for the ratings.

LIQUIDITY INDICATORS - Adequate

Adequate liquidity characterized by a sufficient cushion in accruals vis-a-vis repayment obligations and a moderate cash and bank balance of Rs.3.38 Crore. Its bank limits are utilized to the extent of 79.93% and has sought enhancement in bank lines, supported by the above unity current ratio.

The company recorded net cash accruals of Rs.1.91 Cr as against the CPLTD of Rs. 0.87 Cr in FY2025. The company has Rs.3.38 Cr of Cash and Bank Balance and Rs. 13.66 Cr of Tangible Net Worth in FY2025. The current ratio of the company stood at 1.15 times in FY2025, indicating that the company has enough short-term liquidity to meet its short-term obligations. ISCR and DSCR stood at 1.63 times and 1.29 times, respectively, in FY2025, reflecting adequate capacity to meet both interest and principal repayment obligations.

ABOUT THE ENTITY:

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Automobile and Auto Components	Automobiles	Auto Dealer

A2Z Autowheels Pvt. Ltd. was incorporated on 12th August 2013 and its commercial operations started in June 2014. It is an authorized dealer of Mahindra & Mahindra Ltd. Its operates a total of 7 outlets located across Muzaffarnagar and Shamli district in Uttar Pradesh. The company is engaged in the sale of utility vehicles , light commercial vehicles (LCVs), and three-wheelers along with their spare parts. All the sales and service outlets are serviced by 100% Mahindra trained personnel to ensure quality service. The directors of the company are Mr. Vivek Veerbhan and Mr. Pankaj Veerbhan.

ESG Profile

The company demonstrates an adequate ESG profile based on its environmental, social, and governance practices.

Environmental: Environmental risks in trading companies are primarily related to energy use, emissions from logistics and operations, waste generation, water consumption, and compliance with environmental regulations. Key disclosures include energy usage , waste handling and recycling practices , and any past violations or penalties.

Social: Social factors focus on labour practices, workforce welfare, diversity and inclusion, training and development, and community engagement. Metrics include workforce composition , employee safety and training programs, adherence to labour laws , and initiatives supporting social equity and employee growth.

Governance: Governance assessment emphasizes board structure, independence, and expertise, risk management and compliance frameworks , ethical conduct and anti-corruption policies , stakeholder engagement practices, data security and cybersecurity measures, and compliance with trading regulations.

KEY FINANCIAL INDICATORS

Key Parameters	Units	FY 22 - 23 (Audited - Annual)	FY 23 - 24 (Audited - Annual)	FY 24 - 25 (Audited - Annual)	FY25-26 (Provisional - Annual)
Operating Revenue	Rs.Crs.	169.00	229.28	271.99	296.47
EBITDA	Rs.Crs.	4.61	6.18	6.90	16.00
PAT	Rs.Crs.	0.92	1.61	1.39	6.95
Tangible Net Worth	Rs.Crs.	10.67	12.28	13.66	20.62
Total Debt / Tangible Net Worth	Times	3.08	2.63	2.62	3.24
Current Ratio	Times	1.40	1.24	1.15	1.30

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY IF ANY:

Credit Rating Agency	Status and Reason for Non-Cooperation	Date of Press Release
Infomerics	Infomerics ratings has downgraded the ratings to IVR BB/Negative on 06 May 2026 and moved to Issuer Non Cooperating Category.	06 May 2026

ANY OTHER INFORMATION: None

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating (2026)			2025		2024		2023	
Type	Tenure	Amount (Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	Long-Term	45.57	BWR BBB-/Stable removal from ISSUER NOT COOPERATING * category/Upgraded	20 Nov 2025	BWR BB-Stable (Continues to be in ISSUER NOT COOPERATING * category/Reaffirmed)	07 Oct 2024	BWR BB-Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	14 Aug 2023	BWR BB Stable (ISSUER NOT COOPERATING * /Downgrade)
Fund Based	Long-Term	15.00	BWR BBB-/Stable Assignment						
Total		60.57	(Rupees Sixty Crores and Fifty Seven lakhs Only)						

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to financial ratios](#)
- [BWR Withdrawal Policy](#)
- [Trading Companies](#)

Analytical Contacts

Soumya R Gadanchi Rating Analyst soumya.r@brickworkratings.com	Sabitha M Nayak Associate Director - Ratings sabitha.nayak@brickworkratings.com
media@brickworkratings.com	CustSupport@brickworkratings.com

A2Z Autowheels Pvt Ltd

ANNEXURE I
Details of Bank Loan Facilities rated by BWR

Name of the Bank	Facilities	Tenure	Amount (Rs.Crs.)	Complexity of the Instrument
Canara Bank	Secured Overdraft against Hypothecation-Sanctioned	Long-Term	45.00	Simple
Canara Bank	Covid -19 Emergency Line Credit-Sanctioned	Long-Term	0.00	Simple
Canara Bank	GECL 2.0-Sanctioned	Long-Term	0.57	Simple
Punjab National Bank	Overdraft	Long-Term	15.00	Simple
Total (Rupees Sixty Crores and Fifty Seven lakhs Only)			60.57	

*For more information visit: www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II
INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS
NIL

ANNEXURE III
List of entities consolidated
NIL

List of instruments and regulators

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:

Instrument/Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) ¹	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)- ¹	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)- ¹	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis - ²	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme - ³	-
Issuer Ratings ⁴	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/Preference share (all securities))	MCA
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) - ¹	Investor-side Regulator such as IRDAI, PFRDA ⁵
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries and Companies ⁶	NA

1. Includes securitisation transactions involving assignee payout, acquirer's payout.
2. Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
3. 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), BWR shall separately capture the rated quantum details along with names of respective regulators.
4. There is no instrument being rated and hence, Regulator of the Instrument is not applicable.
5. These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
6. Permitted by SEBI vide SEBI Master Circular for CRAs

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 Sector Regulators), please contact grievance@brickworkratings.com

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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 representatives in 150+ locations. Canara Bank is Brickwork's strategic partner and promoter.

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 also rated NGOs, Educational Institutions, Hospitals, Urban Local Bodies and Municipal Corporations.

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