



Press Release
EROS MOTORS PRIVATE LIMITED
December 04, 2025
Rating Assigned and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	13.87	ACUITE BBB- Stable Assigned	-
Bank Loan Ratings	39.48	ACUITE BBB- Stable Reaffirmed	-
Bank Loan Ratings	2.00	-	ACUITE A3 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	55.35	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and its short-term rating of '**ACUITE A3**' (read as **ACUITE A three**) on Rs. 41.48 Cr. bank facilities of Eros Motors Private Limited (EMPL). The outlook is '**Stable**'. Also, Acuite has assigned its long-term rating of '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on Rs. 13.87 Cr. bank facilities of Eros Motors Private Limited (EMPL). The outlook is '**Stable**'.

Rationale for rating

The rating reaffirmation takes into consideration the stable growth in the operating performance of the company coupled with efficient working capital management. The rating also draws comfort from established market position and extensive experience of promoters in automobile industry. However, these strengths are partially offset by moderate financial risk profile and inherent cyclical nature in the automobile industry along with limited bargaining power.

About the Company

Incorporated in 1999, Eros Motors Private Limited (EMPL) is based in Nagpur, Maharashtra and deals in commercial vehicles, passenger cars, and tractors. It is an authorised dealer of Hyundai Motor India Ltd.'s passenger cars, SML Mahindra's commercial vehicles, and Piaggio's three- and four-wheeler light commercial vehicles and is an authorised distributor of Mahindra & Mahindra Ltd tractors for Vidarbha region. The directors of the company are Mr. Atul Kumar Pande, Mr. Akhil Kumar Pande, Mr. Anuj Kumar Pande, Mrs. Suhas Devi Pande and Mrs. Sachi Devi Pande.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of EMPL to arrive at

the rating.

Key Rating Drivers

Strengths

Experienced management and established track record of operations

EMPL has an established track record of operations of more than two decades in the automobile industry. Mr. Anuj Pande, promoter and managing director of EMPL, has been in the automobile trading business for over two decades. The senior management team is ably supported by a strong line of mid-level managers. The experience of management has helped the company to maintain long standing relation with reputed OEMs i.e., Hyundai Motor India Limited, SML Mahindra and Piaggio. Acuité believes that EMPL will continue to benefit from its experienced management and its established track record of operations.

Stable growth in operating performance

The company marked a stable growth in the operating revenue that stood at Rs. 320.42 Cr. in FY25 (Rs. 289.48 Cr. in FY24) driven by demand growth in the passenger vehicle (PV) segment in FY25. The operating margin of the company stood range-bound at 2.74 percent in FY25 (2.85 percent in FY24). Further, the PAT margin of the company stood declined at 0.99 percent in FY25 (1.16 percent in FY24) pertaining to increase in depreciation charges and finance cost. Furthermore, the company has clocked a revenue of Rs. 217 Cr. in 7MFY26 (Rs. 196.30 Cr. in 7MFY25) and going forward, following the recent revision in GST rates w.e.f. September 22, 2025 (from 28% to 18%) and launch of new vehicles by the principal, the management anticipates a favourable impact on its operational scale.

Efficient working capital operations

The company's operations are working capital efficient as evident from gross current assets (GCA) of 58 days in FY25 (59 days in FY24), driven by inventory levels that stood similar at 41 days in FY25 (42 days in FY24). The debtor days remained steady at 15 days in both FY25 and FY24, comprising receivables from ancillary activities like insurance companies, vehicle servicing, etc. as the average credit period allowed to customers on the service segment is 15-30 days and the company receives advance payments for the sales of new cars. Further, the creditor days of the company stood at 13 days in FY25 (20 days for FY24) pertaining to the average credit period of 30 days received from the suppliers of the ancillary activities.

Weaknesses

Moderate financial risk profile

The company has a moderate financial risk profile marked by growing tangible net worth of Rs. 29.70 Cr. as on March 31, 2025 (Rs. 26.51 Cr. as on March 31, 2024), owing to accretion of profits to reserves. The total debt, mainly comprising of short-term borrowings, stood at Rs. 31.27 Cr. as on March 31, 2025 (Rs. 29.82 Cr. as on March 31, 2024), leading to moderate gearing of 1.05 times as on March 31, 2025 (1.12 times as on March 31, 2024). The coverage ratios of the company stood moderate with interest coverage ratio (ICR) of 2.93 times in FY25 (3.35 times in FY24) and the debt service coverage ratio (DSCR) stood at 1.52 times in FY25 (1.70 times in FY24).

Competitive industry with limited bargaining power

The company faces intense competition from other dealers as well as dealers of other original equipment manufacturers (OEMs) like Maruti, Kia, Honda and TATA among others in the nearby region. Moreover, dealers have limited bargaining power with the OEMs considering the fragmented nature of industry which ultimately impacts the profitability margins. Further, the company is exposed to inherent cyclicalities in the Indian automobile industry as well as regulatory challenges.

Rating Sensitivities

- Substantial improvement in the scale of operation with margins
- Stretch in the working capital cycle resulting into increased reliance on working capital

- borrowings
- Any further debt funded capital expenditure that adversely impacts the financial risk profile

Liquidity Position

Adequate

The company has an adequate liquidity position marked by adequate net cash accruals of Rs. 4.70 Cr. in FY25 as against its maturing debt obligations of Rs. 2.06 Cr. for the same period. Going forward, the cash accruals of the company are estimated to remain in the range of Rs. 5-6 Cr., during FY26-27 against repayment obligations of around Rs. 2 Cr. for the same period. The average bank limit utilization for the fund-based limits stood moderate at ~78.73 percent for the last six months ended Sept 2025. Furthermore, the company-maintained cash and bank balances of Rs. 0.83 Cr. as on March 31, 2025, with the current ratio at 1.33 times as on March 31, 2025.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 25 (Actual)	FY 24 (Actual)
Operating Income	Rs. Cr.	320.42	289.48
PAT	Rs. Cr.	3.19	3.35
PAT Margin	(%)	0.99	1.16
Total Debt/Tangible Net Worth	Times	1.05	1.12
PBDIT/Interest	Times	2.93	3.35

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Jan 2025	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3 (Upgraded from ACUITE A4+)
	Term Loan	Long Term	2.73	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	4.07	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Proposed Long Term Bank Facility	Long Term	1.28	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	4.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Inventory Funding	Long Term	19.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Inventory Funding	Long Term	6.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Inventory Funding	Long Term	1.00	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
	Term Loan	Long Term	1.40	ACUITE BBB- Stable (Upgraded from ACUITE BB+)
10 Sep 2024	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3)
	Cash Credit	Long Term	4.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Inventory Funding	Long Term	19.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Inventory Funding	Long Term	6.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Inventory Funding	Long Term	1.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Term Loan	Long Term	1.40	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Term Loan	Long Term	2.73	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Term Loan	Long Term	1.13	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	2.94	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
19 Jun 2023	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BBB- Stable (Reaffirmed)
	Inventory Funding	Long Term	19.00	ACUITE BBB- Stable (Reaffirmed)
	Inventory Funding	Long Term	6.00	ACUITE BBB- Stable (Reaffirmed)
	Inventory Funding	Long Term	1.00	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	1.40	ACUITE BBB- Stable (Reaffirmed)
	Term Loan	Long Term	2.73	ACUITE BBB- Stable (Reaffirmed)

	Term Loan	Long Term	1.13	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.94	ACUITE BBB- Stable (Reaffirmed)
22 Mar 2022	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3 (Upgraded from ACUITE A4)
	Cash Credit	Long Term	4.00	ACUITE BBB- Stable (Upgraded from ACUITE BB-)
	Inventory Funding	Long Term	6.00	ACUITE BBB- Stable (Upgraded from ACUITE BB-)
	Inventory Funding	Long Term	1.00	ACUITE BBB- Stable (Upgraded from ACUITE BB-)
	Term Loan	Long Term	4.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	2.70	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	0.10	ACUITE BBB- Stable (Upgraded from ACUITE BB-)
	Term Loan	Long Term	1.40	ACUITE BBB- Stable (Upgraded from ACUITE BB-)
	Inventory Funding	Long Term	19.00	ACUITE BBB- Stable (Upgraded from ACUITE BB-)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A3 Reaffirmed
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.00	Simple	ACUITE BBB- Stable Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE BBB- Stable Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Dropline Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	21.00	Simple	ACUITE BBB- Stable Reaffirmed
H D F C Bank Limited	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE BBB- Stable Reaffirmed
Bank Of Baroda	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE BBB- Stable Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.83	Simple	ACUITE BBB- Stable Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.87	Simple	ACUITE BBB- Stable Assigned
State Bank of India	Not avl. / Not appl.	Term Loan	01 Nov 2023	Not avl. / Not appl.	31 Oct 2026	0.80	Simple	ACUITE BBB- Stable Reaffirmed
AXIS BANK LIMITED	Not avl. / Not appl.	Term Loan	30 Nov 2021	Not avl. / Not appl.	31 Oct 2026	1.85	Simple	ACUITE BBB- Stable Reaffirmed

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