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Stellar Autohaus Private Limited

April 08, 2025

Ratings

Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long-term Bank Facilities	99.35	IVR BBB-/ Stable (IVR triple B Minus with Stable outlook)	-	Rating assigned	Simple
Short-term Bank Facilities	3.52	IVR A3 (IVR A Three)	-	Rating assigned	Simple
	102.87 (Rs. One hundred Two crore and Eighty-seven lakh only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

The ratings assigned to the bank facilities of Stellar Autohaus Private Limited (SAPL) derives comfort from its extensive experience of promoters in automobile industry and moderate track record and established market position with long standing association with its principal SKODA Auto Volkswagen India Pvt Ltd. These rating strengths are partially offset by moderate financial risk profile and intense competition and inherent cyclicity in automobile industry.

The outlook assigned on the long-term rating is Stable on the back of satisfactory demand outlook of the respective industry coupled with favourable financial risk profile.

Key Rating Sensitivities:

Upward Factors

- Sustained revenue growth coupled with improvement in profitability on a sustained basis
- Growth in cash accrual and prudent working capital management
- Improvement in capital structure

Downward Factors

- Any decline in revenue and profit margin on a sustained basis
- Further moderation in the capital structure
- Elongation of operating cycle
- Withdrawal of subordinated unsecured loan



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List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Extensive experience of promoters in automobile industry and moderate track record**

Mr. Kamlesh R Tripathi, managing director of the company, has rich professional experience of more than a decade in the trading business. This apart, he is assisted by other director, Mr. Rupen M Modi, and a team of experienced personnel. Long experience of the promoters in automobile industry has led to the established position of the company in the state of Gujarat. Furthermore, the company has started its operation from 2019, thus having moderate and established operational track record.

- **Established market position with long standing association with its principal Skoda**

SAPL is engaged in the automobile dealership business and has long standing association with its principal SKODA Auto Volkswagen India Pvt. Ltd. for selling Skoda vehicles since 2019. It currently operates 9 showrooms and 3 well equipped workshops/service centres across Gujarat. It operates its showroom under the brand name of “Stellar” and is a well-recognized car dealership brand across Gujarat. The company thus have diverse revenue profile with income coming from sale of cars, used cars, service and sale of spare parts.

Key Rating Weaknesses

- **Moderate financial risk profile**

The financial risk profile of the company has been moderate over the years. Turnover of the company was increased in FY23 (refers to period April 1st, 2022, to Mar 31st, 2023) over FY22 (refers to period April 1st, 2021, to Mar 31st, 2022) on the back of new model released during FY23. However, the same has declined in FY24 (refers to period April 1st, 2023, to Mar 31st, 2024) over FY23 with the deterioration of unit sales and lack of new model released. Profitability has been low over the years due to trading nature of business and the same has moved in tandem with turnover. The capital structure of the company was leveraged. However, the unsecured loan of Rs.15.61 crore was subordinated and considering the same as quasi equity, overall gearing was at 2.77x as on March 31, 2024. Although, interest coverage ratio remained moderately satisfactory in FY24 at 1.70x, has declined over FY23 on account of



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lowering of operating profit. Further, total indebtedness of the company as reflected by the TOL/ATNW remained moderate at 3.28x as on March 31, 2024. DSCR was adequate at 1.37x in FY24. Current ratio was around unity at 1.05x as on March 31, 2024.

- **Intense competition and inherent cyclicity in automobile industry**

The company faces competition from dealers of other car manufacturers, along with dealers from the same principal resulting in increased pressure to pass on price discounts to customers. The sales are regionally concentrated with its revenue derived from Gujarat only. The company remains vulnerable to cyclical downturns in automobile industry. Further, SAPL revenues like other auto dealers remains vulnerable to the regulatory changes (like tax amendments, upward migration to pollution standards) also to consumer sentiments mainly given the discretionary nature of the spend.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Trading Companies.](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Criteria for assigning Rating outlook.](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate

SAPL has earned a gross cash accrual of Rs. 6.90 crore in FY24. Further the company is expected to earn a gross cash accrual in the range of ~Rs. 7 to 12 crore as against its debt repayment obligations around ~Rs. 1 crore per year during FY25-27. Accordingly, the liquidity position of the company is expected to remain adequate in the near to medium term. Further, average cash credit utilisation of the company remained moderate at ~71% during the past 12 months ended January 2025 indicating a moderate liquidity cushion.

About the Company

Stellar Autohaus Private Limited (SAPL), established on October 30, 2018, is a leading automobile dealership based in Gujarat, India. The company operates as an authorized dealer for Skoda Auto Volkswagen India Pvt Ltd, specializing in the sale and service of Skoda



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vehicles. With multiple showrooms and service centers across key locations such as Ahmedabad, Vadodara, Surat, Bharuch, Bhavnagar, Anand and Mehsana, Stellar Autohaus has built a strong reputation for delivering quality automotive solutions and exceptional customer service. The company is the largest Skoda-Volkswagen dealer in India, with 9 showrooms and 3 standalone workshops spread across Gujarat. The company is led by its directors, Kamlesh Rajendraprasad Tripathi and Mr. Rupen Modi, who play a pivotal role in its strategic expansion and operational excellence. Their leadership has enabled Stellar Autohaus to strengthen its presence in the automobile retail sector while maintaining financial stability. Under their guidance, the company continues to focus on customer satisfaction, innovation, and expanding its dealership network across Gujarat.

Financials (Standalone):

	(Rs. crore)	
For the year ended/ As on*	31-03-2023	31-03-2024
	Audited	Audited
Total Operating Income	511.24	372.09
EBITDA	23.11	15.41
PAT	6.87	2.03
Total Debt	92.00	99.06
Adjusted Tangible Net Worth	33.79	35.78
EBITDA Margin (%)	4.52	4.14
PAT Margin (%)	1.34	0.54
Adjusted Overall Gearing Ratio (x)	2.72	2.77
Interest Coverage (x)	2.70	1.70

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Security/ Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/ Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
1.	e-DFS	Long Term	99.35	IVR BBB-/ Stable	-	-	-
2.	Trade Advance	Short Term	3.52	IVR A3	-	-	-



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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details:

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
e-DFS	-	-	-	-	99.35	IVR BBB-/ Stable
Trade Advance	-	-	-	-	3.52	IVR A3



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Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-stellar-apr25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.

