

April 09, 2026

The Associated Auto Parts Private Limited: Rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term – Fund-based Limits – Cash Credit	4.00	4.00	[ICRA]A+ (Stable); reaffirmed
Total	4.00	4.00	

*Instrument details are provided in Annexure-I

Rationale

The rating reaffirmation of the bank facilities of The Associated Auto Parts Private Limited (TAAPPL/the company) draws comfort from its strong parentage with TVS Mobility Private Limited (TVS Mobility/parent) holding 76.0% stake in the company (as on December 31, 2025). TAAPPL is currently net debt negative and does not require financial support from TVS Mobility. However, should there be a need, TVS Mobility has committed to extending timely and adequate support to TAAPPL, to ensure that TAAPPL's operating and financial commitments are met in a timely manner. Further, TVS Mobility's representatives are part of TAAPPL's board of directors, and TAAPPL has strong financial flexibility and lender/investor comfort arising from its parentage. The ratings also consider TAAPPL's diversified product profile and its established relationships with auto component manufacturers supporting supply visibility, which along with a favourable demand outlook are likely to drive revenue growth, going forward. ICRA also notes that TAAPPL has comfortable debt metrics and an adequate liquidity position.

However, TAAPPL is a modest-scaled player with an operating income of Rs. 125.9 crore in FY2025 and Rs. 111.7 crore for 9M FY2026. Further, it derived over 80% of its revenues in 9M FY2026 from Gujarat and Maharashtra, exposing it to any localised unforeseen events or region-specific risks. Also, TAAPPL's limited value addition due to its trading nature of operations and stiff competition restrict its pricing flexibility and margins.

The 'Stable' outlook on the long-term rating reflects ICRA's expectation that the company will be able to sustain its credit profile, supported by its healthy business profile and comfortable debt metrics, amid a favourable demand outlook.

Key rating drivers and their description

Credit strengths

Strong parentage – TVS Mobility Private Limited (TVS Mobility/parent company) is the holding company of the T S Rajam faction of the larger TVS Group of companies—an established name in the domestic auto ancillary industry—and holds a 76.0% stake in the company as on December 31, 2025. TAAPPL is net debt negative currently and does not require financial support from TVS Mobility. However, should there be a need, TVS Mobility has committed to extending timely and adequate support to TAAPPL, to ensure that TAAPPL's operating and financial commitments are met in a timely manner. Further, TVS Mobility's representatives are part of TAAPPL's board of directors, and TAAPPL has strong financial flexibility and lender/investor comfort arising from its parentage.

Diversified product profile; established relationship with auto component manufacturers – The company has a diversified product profile comprising brake parts, steering components, clutch plates and bearings among others. The company caters to products of several auto component manufacturers including Brakes India Private Limited, Wabco TVS (India) Ltd., Sundaram Brake Linings and Wheels India Limited to name a few. The well-established relationships with various auto component manufacturers supports the supply visibility for TAAPPL.

Comfortable debt metrics – Over the past several years, TAAPPL has maintained a healthy financial profile supported by adequate cash flow generation, minimal capital expenditure and efficient working capital management. As a result, the dependence on external borrowings have remained low for the company. The company's capital structure remains comfortable, marked by nil debt as on the balance sheet and moderate, albeit increasing, net worth. The coverage indicators also remain comfortable, given the absence of external debt and steady earnings. Further, TAAPPL's liquidity position remained adequate with no long-term debt repayments, minimal capex plans and healthy quantum of free cash and bank balances/liquid investments. The company's financial profile is expected to remain comfortable over the medium term, supported by steady earnings and minimal reliance on external debt.

Favourable demand outlook – The aftermarket segment constitutes around 15% of the overall demand and remains a vital cog in the Indian auto component industry. ICRA expects the aftermarket demand to grow by 8-10% in FY2027, driven by an expanding vehicle parc, premiumisation trends as well as sustained underlying demand. GST reforms have enhanced liquidity for consumers and are expected to accelerate formalisation in the sector, further aiding organised players like TAAPPL. The industry is expected to grow at a healthy pace over the medium term as well, with underlying demand drivers remaining intact, which augurs well for TAAPPL's revenue growth as well.

Credit challenges

Modest scale of operations with geographical presence limited to few states – TAAPPL's scale remains modest with revenues of Rs. 125.9 crore in FY2025 and Rs. 111.7 crore in 9M FY2026. Further, it derived over 80% of its top line in 9M FY2026 from Gujarat and Maharashtra, exposing it to any localised unforeseen events or region-specific risks.

Trading nature of operations and stiff competition limit pricing flexibility – TAAPPL's value addition to products remains limited, given its trading nature of operations. Further, akin to other players in the automobile spares distribution business, the company witnesses intense competition from OE spares, other organised and unorganised players and imports, which restricts its pricing flexibility and margins. Accordingly, the company reported an operating margin of 6.5% in 9M FY2026 and the margins are expected to remain range-bound, going forward.

Liquidity position: Adequate

TAAPPL's liquidity is adequate supported by cash flow from operations of Rs. 2.0-3.0 crore per annum, and free cash and bank balances and liquid investments of Rs. 32.7 crore as of December 31, 2025. The company has an undrawn working capital of Rs. 1.7 crore as on the same date against sanctioned limits. Against this, the company does not have any long-term debt repayment and only has minimal capex plans of Rs. 0.5 crore p.a. over the medium term, which are to be funded through internal accruals. Further, TVS Mobility has committed to extend timely and adequate support to TAAPPL, to ensure that its operating and financial commitments are met in a timely manner, should there be a need.

Rating sensitivities

Positive factors – The rating may be upgraded in case of a meaningful improvement in the credit profile of its parent, along with a significant increase in TAAPPL's scale and profitability, while maintaining healthy coverage indicators and adequate liquidity position, on a sustained basis.

Negative factors – The rating may be downgraded if there is considerable decline in TAAPPL's sales and profit margins, sizeable dividend payout or stretch in the working capital cycle, exerting pressure on the company's liquidity profile. Moreover, any weakening of credit profile of TVS Mobility or weakening of TAAPPL's linkages with TVS Mobility may also warrant a rating downgrade.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Parent company: TVS Mobility Private Limited TVS Mobility Private Limited holds 76.0% stake in the company.
Consolidation/Standalone	Standalone

About the company

Incorporated in 1944, TAAPPL was established as an authorised distributor for General Motors (GM) and was promoted by four families. From being an authorised distributor for GM, over the years, the company has diversified into the distribution of spares and accessories of several major auto components suppliers. In May 2008, three of the four original promoter families exited the business, while one of them wished to continue and invited the TVS Group to acquire the stake of the exiting three families. Thereafter in September 2008, capital was infused in the business by way of rights issue. At present, TVS Mobility holds 76.0% stake in TAAPPL. The company distributes automobile components, spares parts and consumables through its 21 branches across Maharashtra, Gujarat, Rajasthan, Madhya Pradesh and Chhattisgarh. Its head office is in Mumbai.

Key financial indicators (audited)

Standalone	FY2024	FY2025
Operating income	118.8	125.9
PAT	4.9	7.4
OPBDITA/OI	4.9%	6.4%
PAT/OI	4.1%	5.9%
Total outside liabilities/Tangible net worth (times)	0.3	0.3
Total debt/OPBDITA (times)	0.0	0.0
Interest coverage (times)	50.0	100.2

Source: Company, ICRA Research; Note: Amount in Rs. crore; PAT: Profit after Tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Financial ratios in the report are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

		Current rating (FY2027)		Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
Instrument	Type	Amount rated (Rs crore)	April 09, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based-Cash credit	Long Term	4.00	[ICRA]A+ (Stable)	Apr 04, 2025	[ICRA]A+ (Stable)	-	-	Mar 04, 2024	[ICRA]A+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long Term-Cash Credit-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 ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Fund-based – Cash Credit	NA	NA	NA	4.00	[ICRA]A+ (Stable)

Source: Company

Annexure II: List of entities considered for consolidated analysis – Not applicable

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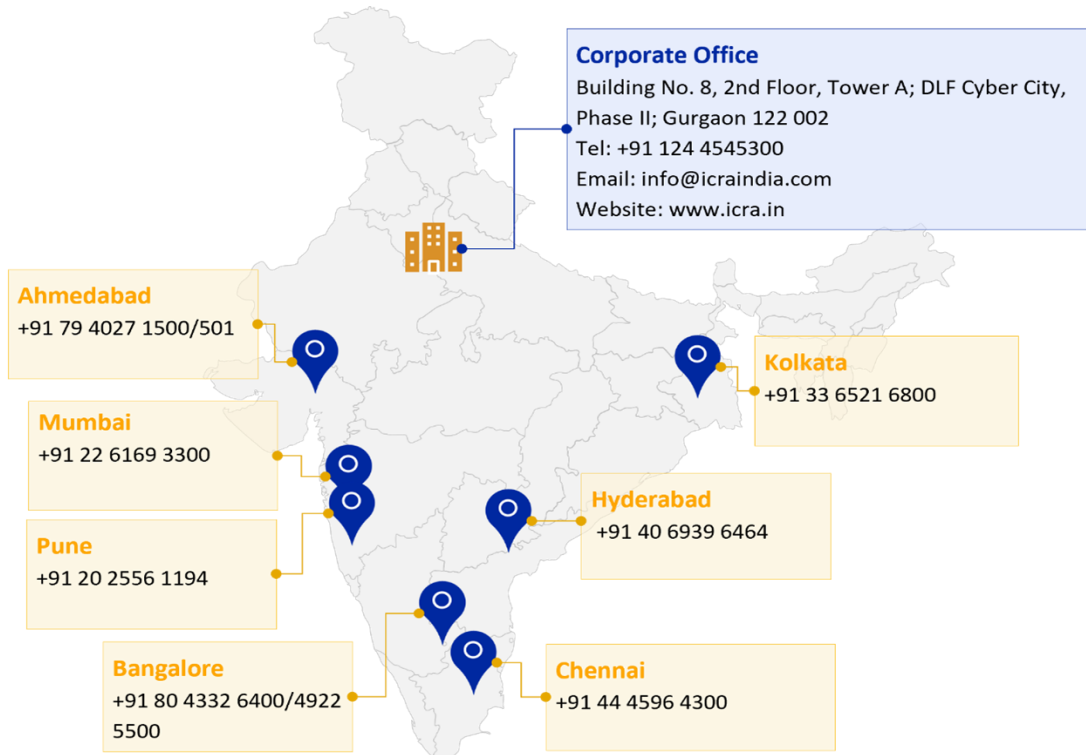


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