

Rukmarani Cars Indore Private Limited

January 30, 2026

| Facilities/Instruments | Amount (₹ crore) | Rating ¹ | Rating Action |
|--|------------------|-----------------------------|---------------|
| Long Term / Short Term Bank Facilities | 57.80 | CARE BB+; Stable / CARE A4+ | Assigned |

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Ratings assigned to the bank facilities of Rukmarani Cars Indore Private Limited (RCPL) remains constrained on account of moderate scale of operations and profitability. Ratings further remain constrained owing to its limited bargaining power with OEMs and presence in competitive and cyclical nature of the auto-dealer industry with fortunes linked to principal manufacturer. Ratings, however, derive strength from vast experience of promoters in auto-dealer industry, moderate capital structure and debt coverage indicators and adequate liquidity.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in Total Operating Income (TOI) above Rs.400 crores while reporting PBILDT margin above 5%
- Improvement in capital structure with overall gearing below 1.2x and debt coverage indicators marked by total debt to gross cash accruals (TDGCA) below 4.5x on sustained basis

Negative factors

- Deterioration of liquidity profile with increase in inventory or otherwise leading to increase in operating cycle above 100 days
- Deterioration in capital structure marked by overall gearing above 2.5x on a sustained basis

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believe that the company will continue to benefit from long-standing experience of the promoters in the auto-dealer industry and will continue to maintain the overall financial risk profile on the back of its association with its principal Marti Suzuki India Limited (MSIL).

Detailed description of key rating drivers:

Key weaknesses

Moderate scale of operations and profitability

RCPL reported TOI of Rs.221.91 crore in FY25 and Rs.226.72 crore in FY24 with 4313 cars sold in FY25 and 5809 cars sold in FY24. It reported TOI of Rs.88.05 crore in H1FY26. RCPL generates 85% of revenue from the sale of car and remaining from sale of spares & accessories and service income where it generates better profit margins. Profitability remained moderate as marked by PBILDT margin of 3.76% in FY25 and 3.52% in FY24. PAT margin remained moderate at 1.27% in FY25 and 1.65% in FY24 due to higher depreciation and finance cost in FY25. Considering healthy consumer demand, addition of new showroom and with recently started Piaggio dealership, CareEdge Ratings anticipates that the company will be able to improve its scale of operations moving forward.

Limited bargaining power with OEMs

RCPL's business model is primarily in the nature of trading wherein profitability margins are lower. Moreover, dealers have less bargaining power over principal manufacturers. The margin on products is set at a particular level by the principal manufacturer thereby restricting the profitability. To capture the market share, the auto dealers offer better buying terms like allowing discounts on purchases. Such discounts offered to customers create margin pressure and impact earnings.

Inherent competition and cyclical nature of the auto industry with fortunes linked to its principal

The company faces intense competition from other OEM products and dealers operating within the same region. However, RCPL's established customer relationships and strong network help to sustain its competitive position to some extent. Furthermore, the auto industry is inherently cyclical and highly sensitive to interest rates and fuel prices, exposing the company to significant

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

demand volatility. RCPL is authorized dealer of Maruti Suzuki India Limited (MSIL), one of the top car manufacturers in India with a total market share of ~40%. Hence, performance and prospects of RCPL is highly dependent on MSIL being its principal.

Key strengths

Vast experience of promoters in auto-dealership industry

RCPL is promoted by Sanjay Kumar Baheti (Managing Director) with experience of over 3 decades in automobile industry, Kiran Baheti (Director) with over a decade of experience in and Yug Baheti (Director) with over 7 years of experience. RCPL has continuously been awarded with Platinum Dealership Award from Maruti Suzuki India Limited since 2019. The dealership businesses are professionally managed at respective locations.

Moderate capital structure and debt coverage indicators

The company's capital structure remained moderate as marked by overall gearing of 1.79x as on March 31, 2025, and 2.46x as on March 31, 2024. The improvement takes into consideration accretion of profits to reserves along with low utilisation of working capital limits as on balance sheet date. Overall gearing remained at 1.43x as on September 30, 2025. Debt profile largely comprises of working capital limits and unsecured loans from promoters. Debt coverage indicators stood moderate as marked by interest coverage of 2.76x in FY25 and 3.53x in FY24 due to high finance cost in FY25. TDGCA remained moderate at 9.80x as on March 31, 2025, as against 11.55x as on March 31, 2024.

Liquidity: Adequate

Liquidity position remained adequate with low utilization of working capital limits, positive cash flow from operations, adequate cash accruals and moderate liquidity ratios. Average utilization of working capital facilities for the past twelve months ending December 2025 remained ~50%. Gross Cash Accruals (GCA) remained sufficient at Rs.5.84 crore as on March 31, 2025, as against repayment obligation of ~Rs.2.00 crore arising in FY26. Cash flow from operations stood at Rs.21.71 crore in FY25 as against negative Rs.28.53 crore in FY24 primarily due to lower inventory as on March 31, 2025. RCPL has unencumbered cash and bank balance of Rs.16.43 crore, sufficient to provide cushion to meet short-term exigencies. Current ratio remained moderate at 1.49x. Since, RCPL participates in annual Ujjain Mela, held in March-April for a period of around 40 days, the company necessitates to maintain inventory for its preparation leading to elongated working capital cycle. Operating cycle remained at 83 days in FY25 as against 70 days in FY24.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Auto Dealer](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

| Macroeconomic indicator | Sector | Industry | Basic industry |
|-------------------------|--------------------------------|-------------|----------------|
| Consumer Discretionary | Automobile and Auto Components | Automobiles | Auto Dealer |

Rukmarani Cars Indore Private Limited (RCPL) is Ujjain based automobile dealership incorporated on December 12, 2018, by Sanjay Kumar Baheti (Managing Director), with over three decades of industry experience, along with Kiran Baheti and Yug Baheti. It is an authorized dealer of Maruti Suzuki India Limited (MSIL), specializing in the sale of passenger vehicles (PV), vehicle servicing, and spare parts in Madhya Pradesh. RCPL operates 2 company-owned and 14 rented showrooms/workshops across Madhya Pradesh. It also has a rented stockyard in Ujjain with a capacity of 400-450 cars. Further, it has recently entered into dealership of Piaggio commercial vehicles in September 2024.

| Brief Financials (₹ crore) | March 31, 2024 (A) | March 31, 2025 (A) | H1FY26 (UA) |
|----------------------------|--------------------|--------------------|-------------|
| Total operating income | 226.72 | 221.91 | 88.05 |
| PBILDT* | 7.97 | 8.34 | 5.63 |
| Profit after tax (PAT) | 3.73 | 2.82 | 3.56 |
| Overall gearing (x) | 2.46 | 1.79 | 1.43 |
| Interest coverage (x) | 3.53 | 2.76 | 3.69 |

A: Audited UA: Unaudited; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

| Name of the Instrument | ISIN | Date of Issuance (DD-MM-YYYY) | Coupon Rate (%) | Maturity Date (DD-MM-YYYY) | Size of the Issue (₹ crore) | Rating Assigned and Rating Outlook |
|--|------|-------------------------------|-----------------|----------------------------|-----------------------------|------------------------------------|
| Fund-based - LT/ ST-Working Capital Limits | | - | - | - | 57.80 | CARE BB+; Stable / CARE A4+ |

Annexure-2: Rating history for last three years

| Sr. No. | Name of the Instrument/Bank Facilities | Current Ratings | | | Rating History | | | |
|---------|--|-----------------|------------------------------|--------------------------------|---|---|---|---|
| | | Type | Amount Outstanding (₹ crore) | Rating | Date(s) and Rating(s) assigned in 2025-2026 | Date(s) and Rating(s) assigned in 2024-2025 | Date(s) and Rating(s) assigned in 2023-2024 | Date(s) and Rating(s) assigned in 2022-2023 |
| 1 | Fund-based - LT/ ST-Working Capital Limits | LT/ST | 57.80 | CARE BB+; Stable / CARE A4+ | | | | |

LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

| Sr. No. | Name of the Instrument | Complexity Level |
|---------|--|------------------|
| 1 | Fund-based - LT/ ST-Working Capital Limits | Simple |

Annexure-5: Lender details

To view lender-wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact us

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