Riya Autolink

January 30, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term / Short Term Bank Facilities	57.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable / CARE A4+ and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.
*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Riya Autolink (RAL) to monitor the rating vide e-mail communications dated September 02, 2025, September 29, 2025, October 09, 2025, October 27, 2025, November 11, 2025, November 26, 2025, December 11, 2025, December 26, 2025, January 05, 2026, January 13, 2026 and January 23, 2026 among others and numerous phone calls. However, despite our repeated requests, RAL has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CareEdge Ratings has reviewed the rating on the basis of the best available information which however, in CareEdge Ratings opinion is not sufficient to arrive at a fair rating. The ratings on RAL's bank facilities will now be denoted as **'CARE BB; Stable; ISSUER NOT COOPERATING/ CARE A4; Issuer Not Cooperating'.**

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

The ratings assigned to the bank facilities of RAL have been revised on account of non-availability of requisite information. Additionally, the revision also factored in decline in scale of operation with low profitability and leveraged capital structure with weak debt coverage indicators. The ratings further remain constrained on the back of volume driven nature of business with intense competition in the auto dealership industry as well as limited bargaining power with principal automobile manufacturers and partnership nature of constitution. However, rating derives strength from the vast experience of the promoters in the automobile dealership business.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers

At the time of last rating on December 31, 2024 the following were the rating strengths and weaknesses (updated based information available from client).

Key weaknesses

Decline in scale of operations and low profitability

RAL's scale of operations marked by total operating income (TOI) declined during FY25 and was moderate with TOI of Rs. 269.23 crore during FY25 compared to Rs. 366.14 crore during FY24. Profitability however remained low owing to its nature of business with PBILDT margin and PAT margin of 3.31% and 0.60% respectively during FY25 compared to 3.93% and 0.63% respectively during FY24.

Leveraged capital structure and weak debt coverage indicators

Owing to lower debt mainly in form of working capital borrowing, RAL's capital structure although improved albeit remained leveraged marked by an overall gearing of 2.65x as on March 31, 2025 compared to 4.60x as on March 31, 2024. However, debt coverage indicators moderated as result of decrease in profitability in absolute terms and was weak with below unity interest coverage of 0.90x during FY25 (P.Y.: 1.54x) and high TD/GCA at 13.14x as on March 31, 2025 compared to 16.88x as on March 31, 2024.

Volume driven nature of business with intense competition in the auto dealership industry

Indian automobile industry is highly competitive in nature as there are large numbers of players operating in the market like Maruti Suzuki India Limited (MSIL), Hyundai, Honda, Toyota, Bajaj etc. in the passenger and electric vehicle segment. Original Equipment Manufacturers (OEMs) are encouraging more dealerships to improve penetration and sales, thereby increasing

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

competition amongst dealers. Entry of the global players in the Indian market has further intensified the competition. Hence, OEMs offer various discount schemes to attract customers. Due to very high competition in the industry, dealers are also forced to pass on discounts and exchange schemes to attract customer as this is a volume driven business. Dealers fate is also linked to the industry scenario and performance of OEMs. RAL is a dealer of Tata Motors Passenger Vehicles Limited (TMPV) and derives its revenue from sale of passenger and electric cars. Hence, performance and prospects of RAL is highly dependent on TMPV being its principal.

Limited bargaining power with principal automobile manufacturer

RAL's business model is largely in the nature of trading wherein profitability margins are very thin. Moreover, in this business a dealer has very less bargaining power over principal manufacturer. The margin on products is set at a particular level by the principal manufacturer thereby restricting the profitability.

Partnership nature of the constitution

Partnership nature restricts RAL's overall financial flexibility in terms of limited access to external funds for any future expansion plans. Further, there is inherent risk of possibility of withdrawal of capital at time of personal contingency and dissolution of the entity in case of death/insolvency of any of the partners. Moreover, partnership constitution has restricted access to external borrowings as credit worthiness of partners would be key factors affecting credit decision for lenders. Partners have infused Rs.0.30 crore during FY25 and Rs. 3.78 crore during FY24 for working capital requirement and extension of workshop.

Key strengths

Experience of promoters

Overall operations of RAL are currently managed by Mr. Urvish Shah and Mrs. Bindi Shah. Mr. Urvish Shah has an experience of more than 2 decades in the industry as he worked in various auto dealerships business since 2002. He was the Vice President of Landmark Group (Honda). He also worked for Hyundai dealership with Concept Motors before taking over the operations of RAL. Further, the partners are also the directors of BU4 Auto Private Limited which is engaged in manufacturing of 2-wheeler EVs under the brand names Dodo, Sign and Star.

Applicable criteria

CARE Ratings' criteria on information adequacy risk and issuer non-cooperation
Policy on default recognition
Rating Outlook and Credit Watch
Financial Ratios – Non-financial Sector
Auto Dealers
Short Term Instruments

About the firm and industry

Industry classification

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

Ahmedabad (Gujarat) based Riya Autolink (RAL), a partnership firm is an authorized dealer of Tata Motors Passenger Vehicles Limited. Overall operations are currently managed by Mr. Urvish Shah and Mrs. Bindi Shah. The partners took over the business in 2019. Firm operates total 5 rented showrooms in Gujarat out of which 4 are in Ahmedabad (2 workshops alongside) and 1 in Viramgam (1 workshop alongside).

Brief Financials (Rs. crore)	March 31, 2024 (A)	March 31, 2025 (A)
Total operating income	366.14	269.23
PBILDT*	14.39	8.92
Profit after tax (PAT)	2.30	1.62
Overall gearing (x)	4.60	2.65
Interest coverage (x)	1.54	0.90

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

Covenants of rated instrument / facility: Annexure-3

Complexity level of various 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		-	-	-	57.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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	57.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable / CARE A4+ (31-Dec-24)	-	-

*Issuer did not cooperate; based on best available information.
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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About us:

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