

## Auto Carriage Private Limited

January 12, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	10.50 (Reduced from 74.50)	CARE BB+; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	1.00	CARE BB+; Stable / CARE A4+	Reaffirmed
Short Term Bank Facilities	83.40	CARE A4+	Assigned
Long Term Bank Facilities	-	-	Withdrawn

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The reaffirmation of ratings assigned to the bank facilities of Auto Carriage Private Limited (ACPL) reflects the company's moderate financial risk profile, characterized by low profitability margins and high gearing ratios. The ratings are constrained by the company's limited geographical presence and moderate scale of operation, moderate capital structure and weak debt coverage indicators, limited bargaining power with its fortunes linked to the performance of Original Equipment Manufacturer (OEM), and inherent competitive and cyclical nature of the auto industry. However, the ratings derive strength from the established track record and extensive experience of promoters as well as its satisfactory financial performance and satisfactory operating cycle.

CARE Ratings Limited (CareEdge Ratings) has withdrawn the rating assigned to the long-term bank facility (Term loan) of ACPL with immediate effect, as it has been repaid and there is no amount outstanding as on date.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Increase in scale of operation beyond ₹600.00 crore along with Profit Before Interest, Lease, Depreciation and Tax (PBILDT) margin of 3.50% on a sustained basis.
- Improvement in capital structure with total outside liabilities (TOL)/tangible networth (TNW) below 3.00x on sustained basis.
- Improvement in debt coverage indicators marked by total debt (TD)/gross cash accruals (GCA) below 6.00 times on sustained basis.

#### Negative factors

- Decline in scale of operations below ₹200.00 crore and PBILDT margins below 2.50% on a sustained basis from FY26 onwards.
- Deterioration in the capital structure as marked by TOL/TNW above 6.00x on sustained basis.

**Analytical approach:** Standalone.

#### Outlook: Stable

CareEdge Ratings believes that the company will continue to benefit from the experience of the promoters in the auto dealership business and improving market share of the principal.

### Detailed description of key rating drivers:

#### Key weaknesses

#### Limited geographical presence and moderate scale of operations

The company's scale of operations has remained moderate over the years due to its limited geographical presence, as it holds dealership rights for OEM vehicles exclusively within West Bengal. As a result of moderate scale operations, the company does not benefit from economies of scale and during financial stress it may impact on the business as compared to other companies in the same field who have various showrooms across regions.

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

**Moderate capital structure and weak debt coverage indicators**

The company's capital structure remains moderate, with overall gearing at 4.01x (PY: 3.39x) and Total Outside Liabilities to Tangible Net Worth (TOL/TNW) at 4.72x (PY: 4.14x) as on March 31, 2025. This marginal deterioration was due to higher utilisation of working capital limits to fund the newly awarded dealership of Electric Vehicle (EV) segment of Mahindra Electric Automobile Limited (MEAL). Accordingly, debt coverage indicators weakened, with TD/GCA increasing to 16.16x in FY25 from 10.77x in FY24.

**Restricted bargaining power with OEM with its fortunes linked with growth plans of OEM**

ACPL operates primarily on a trading-based business model, resulting in moderate profitability margins. Dealers generally have limited bargaining power with principal manufacturers, making ACPL's performance highly dependent on its OEM partner. The company's financial risk profile is closely correlated with the market performance of the OEM's vehicles and their ability to introduce new products. However, since the OEM is a leading player in the passenger vehicle (PV) segment, the off-take risk is partially mitigated.

**Inherent competition and cyclical nature of the auto industry**

The company faces intense competition from other OEM products and dealers operating within the same region. To capture and retain market share, auto dealers often offer discounts and better buying terms like allowing discounts on purchases, compelling the company to adopt similar strategies. These discounts exert margin pressure and adversely impact earnings. However, ACPL's established customer relationships and strong network help 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 demand volatility.

**Key strengths****Established track record and extensive experience of promoters**

ACPL has been engaged in the automobile dealership business since 1996, gradually expanding its presence within West Bengal. The company operates service stations, sells spare parts, and has tie-ups for vehicle finance and insurance, enabling it to offer a comprehensive range of services at a single point.

**Satisfactory financial performance**

The company's Total Operating Income (TOI) improved from ₹368.90 crore in FY24 to ₹428.42 crore in FY25, reflecting year-on-year growth of 16.13%. This increase was primarily driven by volume growth of 11.75%, led by higher demand for passenger and commercial vehicles of Mahindra & Mahindra Limited. Unit sales rose from 3,073 in FY24 to 3,434 in FY25. Despite higher TOI, PBILDT margin remained moderate at 2.10% in FY25 (FY24: 2.53%) due to the trading nature of the business. In 8MFY26, the company sold 2,518 units and booked TOI of ₹350.00 crore. Going forward, the TOI and PBILDT margins are expected to improve in the near term, supported by incremental sales and better margins from the newly awarded MEAL dealership.

**Satisfactory operating cycle**

The company's operating cycle remains satisfactory at 53 days as on March 31, 2025 (PY: 48 days). The average collection period stood at 19 days in FY25 (PY: 19 days), as sales are primarily on a "Cash and Carry" basis or financed through banks and financial institutions, where loan processing takes marginal time. Due to limited bargaining power with OEM, average creditor days remained low at 1 day in FY25 (PY: 2 days). Inventory management is critical for ACPL, as it needs to stock various vehicle models and spares in showrooms to ensure availability and visibility, resulting in moderate inventory levels. The operating cycle of the company is expected to remain within range bound in ensuing years.

**Liquidity: Adequate.**

Liquidity position is considered adequate as the company generated gross cash accruals (GCA) of ₹4.35 crore in FY25 against repayment obligations of ₹1.27 crore. Further in the current fiscal (FY26), the company has fully repaid its long-term debt obligation. Average utilization of fund-based limits, including inventory financing, stood at around 78% during the 12 months ended November 2025. Additionally, the company maintained free cash and bank balance of ₹1.39 crore as on March 31, 2025.

## Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Withdrawal Policy](#)

[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

Incorporated in May 1996, ACPL is promoted by Kolkata based Himatsingka family. ACPL is engaged in the business of auto dealership for vehicles of Mahindra & Mahindra Limited (rated CARE AAA; stable/A1+) since 2007 onwards in Kolkata, West Bengal. ACPL also offers, Services and Spare parts. The company has been awarded dealership for electric vehicles of MEAL since December 2024. Currently, day-to-day affairs of the company is looked after by Nitin Himatsingka, supported by a team of experienced professionals.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	8MFY26(UA)
Total operating income	368.90	428.42	350.00
PBILDT	9.33	8.98	-
Profit after tax (PAT)	3.22	3.18	-
Overall gearing (x)	3.39	4.01	-
Interest coverage (x)	2.40	2.06	-

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

**Status of non-cooperation with previous CRA:** Brickwork Ratings has conducted review on the basis of best available information and has classified ACPL under 'Issuer Not Cooperating' category vide its press release dated September 01, 2025. The reason provided by Brickwork Ratings is non-furnishing of requisite information for monitoring of ratings.

**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-Cash Credit		-	-	-	10.50	CARE BB+; Stable
Fund-based - ST-Working Capital Limits		-	-	-	83.40	CARE A4+
Non-fund-based-LT/ST		-	-	-	1.00	CARE BB+; Stable / CARE A4+
Term Loan-Long Term		-	-	December, 2026	0.00	Withdrawn

**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	Non-fund-based-LT/ST	LT/ST	1.00	CARE BB+; Stable / CARE A4+	1)CARE BB+; Stable / CARE A4+ (16-Jul-25) 2)CARE A4+ (02-Apr-24)	1)CARE BB+; Stable / CARE A4+ (20-Jan-25) 2)CARE A4+ (02-Apr-24)	1)CARE A4+ (24-Jan-24)	1)CARE A4 (30-Dec-22)
2	Fund-based - LT-Cash Credit	LT	10.50	CARE BB+; Stable	1)CARE BB+; Stable (16-Jul-25) 2)CARE BB+; Stable (02-Apr-24)	1)CARE BB+; Stable (20-Jan-25) 2)CARE BB+; Stable (02-Apr-24)	1)CARE BB+; Stable (24-Jan-24)	1)CARE BB; Stable (30-Dec-22)
3	Term Loan-Long Term	LT	-	-	1)CARE BB+; Stable (16-Jul-25)	1)CARE BB+; Stable (20-Jan-25)	1)CARE BB+; Stable (24-Jan-24)	1)CARE BB; Stable (30-Dec-22)

						2)CARE BB+; Stable (02-Apr- 24)		
4	Fund-based - ST- Working Capital Limits	ST	83.40	CARE A4+				

LT: Long term; ST: Short term; 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-Cash Credit	Simple
2	Fund-based - ST-Working Capital Limits	Simple
3	Non-fund-based-LT/ST	Simple
4	Term Loan-Long Term	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.

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