Krishiv Auto Agencies Private Limited
March 09, 2026

Facilities	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	133.45 (Enhanced from 98.25)	CARE BB; Stable	Reaffirmed
Long Term / Short Term Bank Facilities	1.55 (Reduced from 1.75)	CARE BB; Stable / CARE A4	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers
The reaffirmations of the ratings assigned to the bank facilities of Krishiv Auto Agencies Private Limited (KAAPL) remain constrained by low profitability margins, a leveraged capital structure and weak debt coverage indicators. The ratings remain affected by a moderate operating cycle and the cyclical nature of the automobile industry, and the company's dependency on the principal, with whom its bargaining power remains limited. The ratings also factor in a stretched liquidity profile, reflected in high utilisation of working capital limits.
However, the ratings derive comfort from the promoters' extensive experience in the automobile dealership business, KAAPL's moderate but growing scale of operations, and improved performance in 10MFY26 (FY refers to the period from April 01 to March 31).

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improvement in the scale of operations above ₹600 crore on a sustained basis.
- Improvement in the profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin to above 3.50% on a sustained basis.
- Strengthening of capital structure with overall gearing improving to below 2x on a sustained basis.

Negative factors

- Weakening in overall gearing to above 3.5x on a sustained basis.
- Decline in PBILDT margin to below 2% on a sustained basis.
- Reduction in working capital limits leading to weaker liquidity marked by continuous full utilisation of limits.
- Elongation of operating cycle to above 60 days on a sustained basis.

Analytical approach: Standalone

Outlook: Stable
The Stable outlook reflects the expectation of continued benefit from experienced promoters in the auto dealership business.

Detailed description of key rating drivers:

Key weaknesses
Low profitability inherent to dealership business
KAAPL's profitability margins remain modest, inherent to the auto dealership business characterised by thin operating spreads, intense competition and limited pricing flexibility. The company reported an improved yet thin PBILDT margin of 3.08% in FY25, up from 2.60% in FY24, supported by healthy growth in workshop revenues and a stable cost structure. The workshop segment continues to provide stable and margin-accretive income.
In H1FY26, profitability measured through PBILDT margin further improved to 3.38% despite lower aggregate volumes, supported by a favourable product mix with higher contribution from premium MG Select models and EV offerings. Higher per-unit realisations from M9 and Cyberster, and continued demand for Windsor in the EV segment, aided stable margins.

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

The premium MG Select showroom, operational since August 2025, is expected to remain margin accretive due to higher ticket sizes. However, operating margins remain susceptible to competitive pricing, model mix variations and cyclicality in automobile retailing. Margin stability over the medium term will depend on sustained traction in premium and EV models.

Leveraged capital structure and weak debt coverage

KAAPL's capital structure remains leveraged, with overall gearing of 3.30x as on March 31, 2025, marginally higher than 3.17x as on March 31, 2024, due to continued high reliance on working capital borrowings, which remained fully utilised. Thin profitability and high debt levels resulted in weak coverage indicators, with interest coverage at 1.65x and total debt/gross cash accrual at 17.50x in FY25 (1.64x and 16.33x respectively in FY24).

KAAPL's ability to improve profitability, rationalise working capital and reduce reliance on short-term borrowings will be crucial for strengthening leverage and coverage metrics in the medium term.

Moderate operating cycle

KAAPL's operations remain working capital intensive, with an operating cycle of 57 days in FY25 (48 days in FY24). Inventory holding remained stable at 40 days, while receivable days increased to 22 days (17 days in FY24). The company maintains inventory across models, resulting in higher stock levels. 50% of vehicles are financed, while the rest are cash sales.

Aligning billing with Original Equipment Manufacturers' (OEM's) scheme timelines and customer-driven delivery scheduling contributes to higher receivables, though full payment is received before delivery, limiting credit risk.

Working capital needs are largely met through bank limits, which remained almost fully utilised in the past 12 months ending January 2026. Efficient inventory management will be critical for preventing further elongation of the operating cycle.

Limited bargaining power with Principal and industry cyclicality

KAAPL operates with limited bargaining power as margins are determined by the OEM, restricting incremental earnings. Performance depends on the market acceptance and product strategy of JSW MG Motor India Private Limited (JSWMG).

The dealership industry is highly competitive due to low entry barriers, frequent discounts and promotional schemes that pressure margins. Sector performance is linked to macroeconomics factors such as interest rates, fuel prices and consumer sentiment. However, KAAPL benefits from an established customer base and regional presence, supporting business stability to some extent.

Key strengths

Experienced promoters

KAAPL is part of the Gautam Modi Group, which has been present in the automobile dealership industry since early 2000s and operates four other dealerships across brands such as Kia, Mahindra, Hyundai, and Audi, with Hyundai and Audi being the longest established.

The operations of KAAPL are managed by Mr. Gautam Modi, who has over two decades of experience in the automobile dealership segment and oversees the finance and accounting functions. He is supported by Ms. Nidhi Modi, Managing Director, Krishiv Motors Private Limited (Audi dealership), who oversees KAAPL's overall business operations.

The promoters' long-standing industry presence and established relationships with OEMs are expected to support KAAPL's operational stability over the medium term.

Moderate but growing scale of operations

KAAPL has demonstrated healthy revenue growth over the past five years, registering a compounded annual growth rate (CAGR) of 17.7% in total operating income (TOI) in FY21–FY25. TOI increased from ₹269.57 crore in FY21 to ₹516.50 crore in FY25, reflecting steady scale-up supported by portfolio expansion and improved market penetration.

However, TOI moderated marginally in FY25 from ₹533.41 crore in FY24 due to lower volumes in certain legacy models and a change in product mix that impacted sales realisations.

KAAPL operates under the sales, spares and service (3S) model, deriving most revenue from new vehicle sales, followed by used vehicles, spares, servicing income and OEM incentives. The service and spares segment continues to generate recurring income, offering partial insulation from cyclicality in new vehicle demand.

The company's scale is expected to improve with entry into the premium automobile segment under the MG Select brand from FY26. Under this brand, models such as M9 and Cyberster were introduced, with operations commencing in August 2025. In 10MFY26 (FY refers to April 01 to March 31), KAAPL reported TOI of ~₹598.03 crore, of which ~₹115 crore was contributed by a single MG Select showroom operating for ~six months, demonstrating initial traction. Sustained ramp-up in the premium segment is expected to support medium-term revenue growth, although demand acceptance and scalability remain key monitorable. Traction in the electric vehicle (EV) portfolio in FY25 offset moderation in certain internal combustion engine (ICE) models. Continued EV portfolio growth, supported by OEM product strategy, is expected to remain a key driver for KAAPL's medium-term revenue visibility.

Liquidity: Stretched
The liquidity position remained stretched, characterised by high utilisation of working capital limits and modest cash flow from operations of ₹1.37 crore in FY25. Working capital limits, primarily in the form of inventory funding/channel financing, continued to remain fully utilised in the past 12 months ending January 2026, with instances of ad-hoc limit usage in multiple months. Cash accruals are expected to remain tightly matched with debt repayment obligations. Unencumbered cash and bank balance stood at ₹1.36 crore as on March 31, 2025. The current ratio stood at 1.01x, while the quick ratio was 0.41x. Maintaining adequate liquidity buffers will remain important considering reliance on short-term working capital borrowings.

Assumptions/Covenants: Not applicable

Environment, social, and governance (ESG) risks: Not applicable

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

KAAPL is a private limited company incorporated on November 01, 2015. It is part of the Gautam Modi Group and has its office in Mumbai, Maharashtra. The company commenced operations in FY20 when MG entered the Mumbai market, and KAAPL is the authorised dealer partner for JSWMG.
KAAPL's main business involves sale of new cars, spares and servicing of cars. It also deals in used cars. The company operates five showrooms located in Jogeshwari, Malad, Prabhadevi, Vasai and Worli and three service centres at Jogeshwari, Malad and Prabhadevi. Since its inception, KAAPL has delivered ~15,000 MG cars across the Mumbai region.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	H1FY26 (UA)
Total operating income	533.41	516.50	264.48
PBILDT*	13.86	15.92	8.95
Profit after tax (PAT)	3.50	3.74	2.51
Overall gearing (x)	3.17	3.30	NA
Interest coverage (x)	1.64	1.65	1.68

A: Audited UA: Unaudited NA: Not available; 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 facilities

Name of the Facility	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-Electronic Dealer Financing Scheme		-	-	-	116.00	CARE BB; Stable
Fund-based/Non-fund-based-LT/ST		-	-	-	1.55	CARE BB; Stable / CARE A4
Term Loan-Long Term		-	-	November 2031	17.45	CARE BB; Stable

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	Term Loan-Long Term	LT	17.45	CARE BB; Stable	1)CARE BB; Stable (16-Jun-25)	-	-	-
2	Fund-based - LT-Electronic Dealer Financing Scheme	LT	116.00	CARE BB; Stable	1)CARE BB; Stable (16-Jun-25)	-	-	-
3	Fund-based/Non-fund-based-LT/ST	LT/ST	1.55	CARE BB; Stable / CARE A4	1)CARE BB; Stable / CARE A4 (16-Jun-25)	-	-	-

LT: Long 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-Electronic Dealer Financing Scheme	Simple
2	Fund-based/Non-fund-based-LT/ST	Simple
3	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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