Kkrishna Vaahan Private Limited

April 02, 2026

Facilities	Amount (₹ crore)	Ratings[1]	Rating Action
Long-term bank facilities	34.00	CARE B; Stable	Reaffirmed
Short-term bank facilities	82.00	CARE A4	Reaffirmed

Details of facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to the bank facilities of Kkrishna Vaahan Private Limited (KVPL) continue to remain constrained by its dependency on fortunes of principal with low bargaining power, majority of sales contribution from a single product segment, working capital intensive nature of operations, leveraged capital structure and debt coverage indicators, inherent competition and cyclical nature of the auto industry.

The above constraints are however, offset by its experienced promoters, long track record of operations and association with Tata Motors Limited (TML; rated 'CARE AA+; Stable/ CARE A1+) and satisfactory financial performance in FY25 (refers to the period April 1 to March 31) and 9MFY26.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained increase in scale of operations with improvement in operating margin above 3.00%.
- Improvement in capital structure with overall gearing going below 3.50x on a sustained basis.
- Improvement in debt coverage indicators with total debt/PBILDT going below 6x on a sustained basis.

Negative factors

- Discontinuation of dealership with TML.
- Deterioration in total debt/PBILDT above 8x on a sustained basis.
- Declining scale of operations below Rs.500 crore with operating margin going below 2.50%.

Analytical approach: Standalone

Outlook: Stable

Care Ratings believes that the entity will continue to benefit from the established relationship with the suppliers and sustain its moderate financial risk profile over the medium term.

Detailed description of key rating drivers:

Key weaknesses

Dependency on fortunes of principal with low bargaining power

Original equipment manufacturers (OEMs) set the standard prices for all vehicles. KVPL operates primarily as a dealer, where profit margins are typically narrow. Furthermore, dealers have limited negotiating leverage with the main manufacturer. To gain a larger market share, auto dealers provide more favourable purchasing conditions, such as discounts. However, these customer discounts exert pressure on the profit margins.

Majority of sales contribution from a single product segment

The company derives majority of its sales contribution from single product segment. The sale of trucks contributed more than 95% of the total revenue during the period FY23-FY25. Also, majority of the sales of the company happen in bulk to clients who places bulk orders for commercial vehicles.

Working capital intensive nature of operations

Auto dealership business is working capital intensive in nature as the company is required to maintain stock of different models of vehicles and spare parts in order to ensure adequate availability and visibility. On an average, the company maintains an inventory of around 150-200 units of commercial vehicles. However, the principal compensates for the inventory risk if the principal decides to slash the price of vehicles to promote sales subject to certain conditions like company achieving a certain

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

target set by the principal. The operating cycle of KVPL has remained moderate at around 75 days in FY25 as against 67 days in FY24.

Leveraged capital structure and debt coverage indicators
The auto dealership business is financed by dealer finance/ working capital borrowings and accordingly, the capital structure of these companies is often leveraged. The overall gearing of the company deteriorated to 4.71x as on March 31, 2025, as compared with 4.04x as on March 31, 2024, on account of increased working capital borrowings. The debt coverage indicators also continue to remain high with TDGCA of 39.46x as on March 31, 2025, as against 35.13x as on March 31, 2024.

Inherent competition and cyclical nature of the auto industry
The company faces competition from other OEMs and regional dealers. To secure a larger market share, auto dealers often provide more attractive purchase terms, such as discounts. Consequently, the company is compelled to offer similar discounts to remain competitive. These discounts, however, put pressure on profit margins and adversely affect the company's earnings. Despite this, the company's customer relationships and established network enable it to withstand the competition to some degree and maintain its strong market position in the region. Moreover, the auto industry is inherently susceptible to economic cycles and is greatly affected by interest rates and fuel prices. Therefore, the company is exposed to substantial risks due to the cyclical nature of the auto industry.

Key Strengths
Experienced promoters
Sajjan Kumar Khaitan, having more than 40 years of experience in the similar line of business, had incorporated the company in 2010. The day-to-day operations is looked after by Rahul Khaitan, having more than 15 years of experience in the business. They are assisted by a team of professionals in the required fields.

Long track record of operations and association with TML
KVPL is engaged in commercial vehicle dealership business of TML since 2010. Over the years, KVPL has increased its presence in different parts of Odisha and has showroom cum service centres in Sundargarh and Rourkela districts. It operates service stations, sells spare parts, and has tie-ups for vehicle finance and insurance. This allows it to provide a comprehensive range of services to the customer at a single point.

Satisfactory financial performance in FY25 and 9MFY26
The total operating income (TOI) of the company witnessed moderation in FY25 to Rs.745.33 crore on account of reduced sales realisation. However, with reduced cost of sales, PBILDT increased from Rs.18.03 crore in FY24 to Rs.21.90 crore in FY25, leading to improvement in PBILDT margin from 2.31% in FY24 to 2.94% in FY25. The margin is expected to remain at similar levels going forward. With improvement in operating margin, PAT margin improved marginally from 0.35% in FY24 to 0.46% in FY25.
The company has generated Rs.435.71 crore revenue with improvement in PBILDT margin to 3.18% and stable PAT margin of 0.47% in 9MFY26.

Liquidity: Stretched
The liquidity profile of the company is stretched marked by high working capital utilization of around 90% for the past 12 months, as confirmed by the lenders. The company earned GCA of Rs.3.79 crore as against debt repayment of Rs.2.26 crore in FY25. The company is expected to generate sufficient cash accruals to meet its debt repayment obligations. The unencumbered cash and bank balance stood around Rs.7.39 crore as on March 31, 2025.

Applicable criteria
Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
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

KVPL was incorporated in 2010 by Sajjan Kumar Khaitan having more than 40 years of experience in the similar line of business. The company has taken dealership of selling commercial vehicles of TML. It has two showrooms cum service centres in Rourkela and Sundargarh and two service centres in Koida and Bersuan districts. The company works on 3s model: sale of new vehicles, servicing of the vehicles and selling spare parts of the vehicles.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY25 (UA)
Total operating income	779.48	745.33	435.71
PBILDT*	18.03	21.90	13.89
Profit after tax (PAT)	2.70	3.43	2.08
Overall gearing (x)	4.04	4.71	NA
Interest coverage (x)	1.45	1.46	1.30

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: CRISIL Ratings has conducted the review on the basis of best available information and has classified KVPL as "Not cooperating" vide its press release dated December 22, 2025. The reason provided by CRISIL Ratings is non-furnishing of requisite information for monitoring of rating.

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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	34.00	CARE B; Stable
Fund-based - ST-Vendor financing		-	-	-	82.00	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-Cash Credit	LT	34.00	CARE B; Stable	1)CARE B; Stable (23-Jul-25)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (24-Mar-25) 2)CARE BB; Stable (15-Jul-24) 3)CARE BB; Stable (08-Jul-24)	-	-
2	Fund-based - ST-Vendor financing	ST	82.00	CARE A4	1)CARE A4 (23-Jul-25)	1)CARE A4; ISSUER NOT COOPERATING* (24-Mar-25) 2)CARE A4 (15-Jul-24) 3)CARE A4 (08-Jul-24)	-	-

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