



Press Release
CYBER AUTOMOBILES PRIVATE LIMITED
April 02, 2025
Rating Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	80.80	ACUITE BB Stable Reaffirmed	-
Bank Loan Ratings	0.55	-	ACUITE A4+ Reaffirmed
Total Outstanding Quantum (Rs. Cr)	81.35	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed its long term rating of '**ACUITE BB**' (read as **ACUITE double B**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs. 81.35 Cr. bank facilities of Cyber Automobiles Private Limited (CAPL). The outlook is '**Stable**'.

Rationale for rating reaffirmation

The rating reaffirmation considers the steady scale of operations and profitability margins. The rating also factors in the established position of the company of more than two decades and extensive experience of the promoters in the two-wheeler spare parts industry. However, the rating is constrained by working capital intensive nature of operations, below average risk profile and stretched liquidity position of the company.

About the Company

Cyber Automobiles Private Limited (CAPL) was incorporated in the year 2002 as an authorized distributor of spare parts of two wheelers such as TVS Motors, Royal Enfield, Yamaha Motors among others. The company has its own warehouse for storage. Also, the company operates majorly in the Southern Region of this country and has more than 10,000 dealers in state of Telangana, Andhra Pradesh, Tamil Nadu, Karnataka and Cochin to name a few. From 2018, CAPL has entered the dealership of tyres through Maxxis Tyre India Limited for two wheelers for Telangana, Andhra Pradesh, Karnataka & Tamil Nadu states. The company has also entered contract manufacturing of various automobile spare parts such as Cables, Levers, Drum Rubbers etc under the brand name 'CAMP'.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered standalone business and financial risk profile of Cyber Automobiles Private Limited to arrive at the rating.

Key Rating Drivers

Strengths

Established track record and extensive experience of promoters

CAPL was incorporated in 2002 reflecting an established track record of operations for more than two decades in the auto ancillary industry. The company is authorized distributors of various two wheelers across the southern part of the country. The promoters of the company including Mr. Pardha Saradhi Unnam, have more than two decades of experience in the respective business. The experience of promoters also helped the company to established long term relationships with leading two-wheeler OEMs such as TVS Motors, Royal Enfield among others along with auto ancillary companies such as Minda Industries. Acuité believes that CAPL will continue to benefit from extensive experience of the promoters along with longstanding relationship over the medium term.

Steady operating performance

The company's revenue stood at similar levels of Rs. 251.65 Cr. in FY24 as against Rs. 255.64 Cr. in FY23 on account of steady demand for spare parts of two wheelers from the aftermarket. Further, the company has reported revenue of ~Rs. 253.00 Cr. in 11MFY25. In FY25 the company has received a distribution of LCV spare parts of Ashok Leyland. The operating profit margin of the company stood at 5.07 percent in FY24 compared against 4.70 percent in FY23. The PAT margins of the stood at 0.81 percent in FY24 as compared to 0.88 percent in FY23. Acuite believes that the business risk profile of the company will continue to remain stable on account of steady demand from two-wheeler industry and the aftermarket over the medium term.

Weaknesses

Below average financial risk profile

The financial risk profile of the company remained below average marked by low net worth, high gearing, and moderate debt protection metrics. The tangible net worth of the company stood low at Rs. 24.40 Cr. in FY24 as against Rs. 22.50 Cr. in FY23 due to accretion of profits to reserves. The total debt of the company stood at Rs. 110.72 Cr. as on 31st March 2024 as against Rs. 115.02 Cr. as on 31st March 2023. The debt outstanding as on 31st March 2023 comprises of long-term debt of Rs.10.34 Cr, Rs. 28.59 Cr. of unsecured loans from promoters and Rs. 71.78 Cr. of short-term debt. The unsecured loans from promoters and directors are non-interest bearing. The gearing of the company remained high at 4.54 times in FY24 and as against 5.11 times in FY23. The TOL/TNW also improved yet stood high at 5.37 times as on 31st March 2024 as against 6.16 times as on 31st March 2023. The debt protection metrics remains moderate with debt service coverage ratio of 1.01 times in FY24 and interest coverage ratio stood at 1.44 times in FY24 as compared to 1.42 times and 1.50 times in FY23 respectively. Acuite believes that the financial risk profile of the company will continue to remain below average on the back of high gearing.

Working capital intensive operations

The operations of the company remained working capital intensive in nature marked by high GCA days of 203 days in FY24 as compared against 206 days in FY23. The high GCA days is majorly on account of high receivable days of 89 days in FY24 as against 95 days in FY23. The inventory levels of the company stood at 114 days in FY24 against 109 days in FY23 as the company keeps stock of around 2-3 months for timely execution of orders. The creditor days of the company stood at 33 days in FY24 as against 37 days in FY23. The working capital-intensive nature of operations also led to high reliance on working capital funding from lenders. The average bank limit utilisation by the company is also fully utilised for 6 months ending February 2025. Acuite believes that the operations of the company will continue to remain working capital intensive in near to medium term on account of high receivable days.

Rating Sensitivities

- Sustain Improvement in revenues and profitability
- Improvement in working capital cycle
- Changes in Financial risk profile

Liquidity Position

Stretched

The liquidity position of the company remained stretched led by full utilization of working capital limits majorly on account of working capital-intensive nature of operations. The company generated net cash accruals of Rs.3.09 Cr. against its repayment debt obligation of ~Rs.3.00 Cr. in FY24. Also, the company maintains a cash balance of Rs. 0.45 Cr. as on 31st March 2024.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	251.65	255.64
PAT	Rs. Cr.	2.04	2.24
PAT Margin	(%)	0.81	0.88
Total Debt/Tangible Net Worth	Times	4.54	5.11
PBDIT/Interest	Times	1.44	1.50

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
05 Jan 2024	Bank Guarantee (BLR)	Short Term	0.05	ACUITE A4+ (Assigned)
	Bank Guarantee (BLR)	Short Term	0.50	ACUITE A4+ (Assigned)
	Covid Emergency Line.	Long Term	5.25	ACUITE BB Stable (Assigned)
	Proposed Term Loan	Long Term	0.04	ACUITE BB Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	5.51	ACUITE BB Stable (Assigned)
	Cash Credit	Long Term	35.00	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	35.00	ACUITE BB Stable (Reaffirmed)
08 Feb 2023	Cash Credit	Long Term	35.00	ACUITE BB Stable (Assigned)
	Cash Credit	Long Term	35.00	ACUITE BB Stable (Assigned)
	Proposed Term Loan	Long Term	0.04	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.05	Simple	ACUITE A4+ Reaffirmed
Karur Vysya Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.50	Simple	ACUITE A4+ Reaffirmed
Karur Vysya Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE BB Stable Reaffirmed
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	35.00	Simple	ACUITE BB Stable Reaffirmed
Karur Vysya Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	05 Jan 2026	5.55	Simple	ACUITE BB Stable Reaffirmed
Karur Vysya Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	05 Jan 2028	5.25	Simple	ACUITE BB Stable Reaffirmed

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About Acuité Ratings & Research

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