



Press Release
TAYAL INDIA MOTORS PRIVATE LIMITED
July 18, 2025
Rating Upgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	119.98	ACUITE BBB- Stable Upgraded	-
Bank Loan Ratings	0.02	-	ACUITE A3+ Upgraded
Total Outstanding Quantum (Rs. Cr)	120.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has upgraded its long-term rating to "**ACUITE BBB-**" (read as **ACUITE triple B minus**) from "**ACUITE BB+**" (read as **ACUITE double B plus**) and short term rating to "**ACUITE A3+**" (read as **ACUITE A three plus**) from "**ACUITE A4+**" (read as **ACUITE A four plus**) on the Rs. 120.00 Cr. bank facilities of Tayal India Motors Private Limited (TIMPL). The outlook is "**Stable**".

Rationale for rating

The rating upgrade and migration from "Issuer Non-Cooperating" factors the improvement in the company's scale of operations, marked by an operating income of Rs.371.54 Cr. in FY2024 as against Rs.271.68 Cr. in FY2023 supported by y-o-y incremental sales of cars along with car services and sale of spare parts and lubricants. Further, the revenue is estimated at Rs.521.23 Cr. in FY2025. The liquidity profile of the company is adequate marked by sufficient net cash accruals of the company against its maturing debt obligation over the same period and the financial risk profile of the company is also moderate as suggested by moderate gearing, coverage indicators and debt protection metrics. Moreover, the working capital operations of the company is moderate marked by GCA days of 72 days as on 31st March 2024. The rating also takes into account the long track record of operations and experience of the management in automobile dealership. However, the rating is constrained by volatile EBITDA margin and PAT margin of the company which stood at 2.63% and 0.45% respectively in FY2024 and the same will remain a key monitorable. The rating is also partly offset by the operations of the company being vulnerable to the inherent cyclical nature of the automobile industry.

About the Company

Delhi based, Tayal India Motors Private Limited was incorporated in 2000. The company is engaged in the business of passenger car dealership, service station of Maruti Suzuki passenger cars for both Arena and Nexa segment along with spare parts and lubricants. Currently, the company has a wide distribution network with over 16 showrooms, service stations/ workshops and stockyards operating in Faridabad, Palwal and Jaipur regions. Mr. Aayush Aggarwal, Mr. Rakesh Mohan Aggarwal, Mr. Arpit Aggarwal are directors of the company.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of Tayal India Motors Private Limited (TIMPL) to arrive at the rating.

Key Rating Drivers

Strengths

Long track record and established market position

TIMPL is an authorised dealer of Maruti Suzuki India Ltd (MSIL) for both Arena and Nexa segment and is promoted by Mr. Aayush Aggarwal, Mr. Rakesh Mohan Aggarwal, Mr. Arpit Aggarwal. The company currently operates in Faridabad, Palwal and Jaipur regions and has a wide distribution network with over 16 showrooms, service stations and stockyards which strengthen its market position. Company generates majority of its revenue through sale and services of Maruti Suzuki vehicles and also sells spares for the service purpose making the company a 3S dealership. Acuite believes that the extensive experience of promoters, established market position and relationship with MSIL, will help the company sustain its business risk profile.

Steady Business Risk Profile

TIMPL has been registering y-o-y growth in operating revenue, which stood at Rs.371.54 Cr. in FY2024 as against Rs.271.68 Cr. in FY2023. Furthermore, the same is estimated at Rs.521.65 Cr. in FY2025. The increase in revenue is supported by incremental sales of cars along with car services and sale of spare parts and lubricants. The company deals in both Nexa and Arena segments and has expanded its operations by addition of showrooms, service stations and stockyards in Jaipur and Faridabad in FY2024 as well as FY2025. Going forward, the company expects to have a better top-line in near to medium term on account of benefit derived from its wide distribution network. Acuite believes that revenue derived from segments including sales of cars, workshop income and sale of spares and lubricant shall continue to support the business risk profile of TIMPL and the company will sustain at steady levels in near to medium term.

Moderate Working capital operations

The working capital operations of the company are moderate marked by GCA days of 72 days as on 31st March 2024 as compared to 59 days as on 31st March 2023. The inventory days of the company stood at 28 days as on 31st March 2024 as compared to 24 days as on 31st March 2023 as the company has to maintain inventory of various models of cars for display at various showrooms. The debtor days stood at 25 days as on 31st March 2024 as compared to 14 days in the previous year and the creditor days stood at single day as on 31st March 2024. Further, the working capital limits stood were utilised at an average of 82.41% for the last six months ended May, 2025. Acuite expects that the working capital operations are likely to remain in similar range in near to medium term due to nature of operations.

Weaknesses

Thin profitability margins inherent in auto dealership business

The company deals in the Nexa and Arena segments wherein the margins of the company majorly depends on the model-mix of the vehicles. The EBITDA margin of the company stood at 2.63 per cent in FY2024 as against 3.11 per cent in FY2023 on account of incremental operating expenses related to addition of showrooms, service stations and stockyards in Jaipur and Faridabad in FY2024 as well as FY2025. Further, lower operating margins are also attributable to the inherent nature of auto dealership business and lower bargaining power of the dealer. Likewise, the PAT margin stood at 0.45 per cent in FY2024 as against 1.36 per cent in FY2023 on account of high finance costs. Acuite believes that profitability margins will continue to remain in similar range going forward considering the nature of business and will remain a key monitorable.

Moderate Financial Risk Profile

The financial risk profile of the company is moderate, marked by modest net worth of Rs.20.76 Crore in FY2024 and Rs.19.07 crore in FY2023. The increase in the net-worth is on an account of accretion of profits into reserves. Further, the total debt of the company stood at Rs.68.21 Crore as on 31st March 2024 as against Rs.36.25 Crore as on 31st March 2023 on account of addition of unsecured loans from directors/ promoters, incremental working capital limits and term loan undertaken for capex related to additional showroom and workshops. The capital structure of the company moderated on account of increase in total debt as reflected by gearing ratio which stood at 3.29 times as on 31st March 2024 against 1.90 times as on 31st March 2023. Further, the coverage indicators of the company marked by interest coverage ratio and debt service coverage ratio which stood at 1.74 times and 1.20 times respectively as on 31st March 2024 as against 3.97 times and 2.96 times respectively as on 31st March 2023. The TOL/TNW ratio of the company stood at 3.78 times as on 31st March 2024 as against 2.46 times as on 31st March 2023. Acuite believes that going forward the financial risk profile of the company will remain in similar range in near to medium term with no further debt funded capex plans.

Exposure to competition in automotive dealership segment

The passenger car industry in India is highly competitive. Being an authorized dealer for Maruti Suzuki India Limited (MSIL), the company has to compete with dealers of other car brands such as Mahindra & Mahindra Ltd, Tata Motors Ltd. Automotive manufacturers normally encourage multiple dealers in the same area to improve market penetration and sales thereby increasing competition among dealers. Moreover, manufacturers face competition in their respective segments, and tend to squeeze margins of dealers to reduce cost. Thus, the business risk profile may continue to be constrained by limited bargaining power with principals, and exposure to intense competition.

Rating Sensitivities

- Sustenance of the profitability margins while scaling up of operations.
- Movement in working capital operations of the company.
- Movement in financial risk profile of the company.

Liquidity Position

Adequate

The liquidity profile of the company is adequate with net cash accruals of Rs.3.77 Cr. as on 31st March 2024 against the debt repayment obligation of Rs.2.18 Crore over the same period. Going forward, the company is expected to generate net cash accruals under the range of Rs.4.50 Crore to Rs.7.00 Crore against the debt repayment obligations up to Rs.2.50 Crore over the next two years. The working capital limits stood at an average of 82.41% for the last six months ended May, 2025. The current ratio of the company stood at 1.34 times as on 31st March 2024 as against 1.10 times as on 31st March 2023. Further, the cash and bank balance available with the company stood at Rs.0.72 Crore as on 31st March 2024. Acuité expects that going forward the company will maintain adequate liquidity position due to steady accruals, moderate bank limit utilisation and absence of any major debt funded capex plans.

Outlook: Stable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	371.54	271.68
PAT	Rs. Cr.	1.69	3.70
PAT Margin	(%)	0.45	1.36
Total Debt/Tangible Net Worth	Times	3.29	1.90
PBDIT/Interest	Times	1.74	3.97

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

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. Acuité'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
02 Jun 2025	Bank Guarantee (BLR)	Short Term	0.02	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Channel/Dealer/Vendor Financing	Long Term	59.40	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Secured Overdraft	Long Term	3.90	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Term Loan	Long Term	7.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Term Loan	Long Term	7.50	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
	Proposed Long Term Bank Facility	Long Term	41.68	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB- Stable)
14 Mar 2024	Bank Guarantee (BLR)	Short Term	0.02	ACUITE A3+ (Reaffirmed)
	Channel/Dealer/Vendor Financing	Long Term	31.50	ACUITE BBB- Stable (Reaffirmed)
	Channel/Dealer/Vendor Financing	Long Term	27.90	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.58	ACUITE BBB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	41.10	ACUITE BBB- Stable (Assigned)
	Secured Overdraft	Long Term	1.90	ACUITE BBB- Stable (Reaffirmed)
	Secured Overdraft	Long Term	2.00	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	7.50	ACUITE BBB- Stable (Assigned)
	Term Loan	Long Term	7.50	ACUITE BBB- Stable (Assigned)
17 Feb 2023	Bank Guarantee (BLR)	Short Term	0.02	ACUITE A3+ (Assigned)
	Channel/Dealer/Vendor Financing	Long Term	31.50	ACUITE BBB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.58	ACUITE BBB- Stable (Assigned)
	Cash Credit	Long Term	1.90	ACUITE BBB- 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
Canara Bank	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.02	Simple	ACUITE A3+ Upgraded (from ACUITE A4+)
Canara Bank	Not avl. / Not appl.	Channel/Dealer/Vendor Financing	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	89.10	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	16.19	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Canara Bank	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.90	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	28 Dec 2022	Not avl. / Not appl.	10 Feb 2030	5.67	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)
Kotak Mahindra Bank	Not avl. / Not appl.	Term Loan	25 Apr 2023	Not avl. / Not appl.	10 May 2028	5.12	Simple	ACUITE BBB- Stable Upgraded (from ACUITE BB+)

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