



Press Release

My Car Private Limited

August 21, 2025

Ratings:

Sl. No.	Instrument/Facility	Amount (Rs. Crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
1.	Long Term Bank Facilities	34.41 (Reduced from 37.89)	IVR BBB-/Stable (IVR Tripe B Minus with Stable Outlook)	IVR BBB-/Stable (IVR Tripe B Minus with Stable Outlook)	Rating Reaffirmed	Simple
2.	Short Term Bank Facilities	98.00 (Enhanced from 43.00)	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Rating Reaffirmed	Simple
	Total	132.41	Rupees One Hundred thirty-two Crore and forty-one lakhs Only			

Details of Facilities/Instruments are in Annexure 1.

Facility wise lender details are at Annexure 2.

Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed the long-term rating as IVR BBB- with Stable outlook and the short-term rating as A3 for the bank loan facilities of My Car Pvt Ltd.

The rating continues to draw comfort from extensive experience of promoters in auto dealership business, proven track record as an authorised dealer of MSIL's PV and TML's CV and Moderate debt protection metrics and financial risk profile. However, these rating strengths are partially offset by thin profitability margins inherent to dealership business, Linked to the fortunes of Maruti Suzuki India Limited (MSIL) and Tata Motors Limited along with inherent risk from external factors and Intense competition and regional concentration of sales.

For the Stable Outlook, IVR believes MCPL will continue to benefit from its operational track record in the business and enhanced demand for the automobile sector.

IVR has principally relied on the audited financial results of MCPL up to 31 March 2024 and provisional financial results up to 31 March 2025, (i.e. review period from 1st April 2024 to 31st March 2025), and projected financials for FY2026, FY2027 and FY2028 and publicly available information/ clarifications provided by the company's management.

Key Rating Sensitivities:



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Upward Factors

- Substantial growth in total income with improvement in margins and cash accruals on a sustained basis.
- Improvement in the capital structure marked by improvement in overall gearing to below 2x coupled with improvement in debt protection metrics on a sustained basis.

Downward Factors

- Decline in operating income and/or profitability impacting the cash accrual on a sustained basis
- Any significant rise in working capital intensity or unplanned capex leading to a deterioration in liquidity position.

List of Key Rating Drivers with Detailed Description

A. Key Rating Strengths

- **Extensive experience of promoters in auto dealership business:**
The company commenced its operations in 2000 and has a successful track record of more than three decades in the existing line of business. Overall activities of MCPL are managed by Mr. Purshottam Das Garg being the Chairman cum Managing Director. He has experience of more than 50 years in the automobile dealership business. He is ably supported by other directors, who have effective experience in automobile dealership business as well as supported by qualified and well experienced management team.
- **Proven track record as an authorised dealer of MSIL's PV and TML's CV:**
The company has been an authorised dealer of MSIL's PVs since 2001 and since 2016, they are dealing with Tata Motors for commercial vehicles. MCPL is among the largest prominent dealers for MSIL in Uttar Pradesh, with its sales and service network spread across state. Healthy demand for MSIL's vehicles, along with the Company's proven track record and presence in Uttar Pradesh market, supports its long-term growth prospects.
- **Moderate debt protection metrics and financial risk profile:**
In terms of the debt coverage indicators, the interest service coverage ratio (ISCR) constant to 1.48x in FY2025 as compared to 1.40x in FY2024, and the debt service coverage ratio (DSCR) remains moderate to 1.01x. Adjusted Tangible net worth improved to Rs. 55.32 crore in FY2025(Provisional) from Rs.50.01 crore in FY2024. Overall analysed gearing improved and stood at 2.66x in FY2025 as compared to 3.05x in FY2024.

Key Rating Weaknesses



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- **Thin profitability margins inherent to dealership business:**

The dealership business is characterised by thin margins and low bargaining power of the dealer, as margins on vehicles are determined by the principal. EBIDTA margin marginally improved from 3.28% in FY2024 to 4.66% in FY2025(Provisional). PAT margin has also marginally improved from 0.70% in FY2024 to 1.06% in FY2025

- **Linked to the fortunes of Maruti Suzuki India Limited (MSIL) and Tata Motors Limited along with inherent risk from external factors**

MCPL being an authorized dealer of MSIL and TML is vulnerable to the risk of change in policy by the principal with regards to the dealership. Accordingly, the financial risk profile of the company has a high degree of correlation with the performance of MSIL's and TML's vehicles in the market and their ability to launch new products as per the market dynamics. Further, MCPL, like other players in the automobile, remains exposed to economic vulnerability, regulatory and legal risks in developing markets such as introduction of new tax or increase in tax, fluctuation in prices of fuel, initiative taken by government to reduce carbon print like BS VI emission norms, shifting investment focus from traditional to electric vehicles, change in customer demands etc

- **Intense competition and regional concentration of sales:**

The automotive dealership industry is highly competitive with stiff competition from other dealerships. Intense competition from the dealers of other OEMs also exerts pressure on MCPL's sales volumes and margins. Moreover, the incremental investment requirement to regularly upgrade the dealership outlets, in line with the principal's marketing strategy, keeps the cash flows of the dealerships under pressure.

Analytical Approach: IVR has analysed MCPL credit profile by considering the Standalone financial statements of the company. IVR has taken a standalone view of the business and financial profiles of My Car Private Limited as its two subsidiaries viz, My Car Nexa Private Limited and My Auto World Private Limited has shifted their operation with parent company dated April 2024 and December 2024 respectively.

Applicable Criteria:

- [Rating Methodology for Trading Companies.](#)
- [Financial Ratios & Interpretation \(Non-Financial Sector\).](#)
- [Criteria for assigning Rating outlook.](#)
- [Policy on Default Recognition](#)
- [Complexity Level of Rated Instruments/Facilities](#)

Liquidity – Adequate



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The company has adequate liquidity marked by adequate net cash accruals to its maturing debt obligations. The company's liquidity position is supported by cash and bank balances of Rs.4.40 crore as on March 31, 2025. The company has earned a cash accrual of Rs.6.55 crore in FY25(P) (Rs. 5.67 crore in FY 2024) and expected to earn cash accruals in the range of Rs. 10.41 crore - Rs.17.98 crore as compared to its debt obligations in the range of Rs. 4.64 crore - Rs.3.33 crore during FY26-FY28. The current ratio stood at 1.22x as on March 31st, 2025 (Provisional)..

About the Company

My Car Private Limited was established in the year 2000 by a leading business family of Kanpur, to provide for as a "One Stop" dealership for purchase and service of Maruti-Suzuki products. Over the years the company grew and diversified into other ventures. The company's business includes marketing sales and servicing a line of Maruti Suzuki vehicles including its premium vehicle segment, as well as a line of Tata commercial vehicles. The Company also sells spare parts and accessories, primarily to its retail customers and to other authorized parts distributors and retailers. The Company also offers extended service contracts. The company is also engaged in the business of purchase and sale of used vehicles under "True Value" brand of Maruti Suzuki India Ltd. The Company is also engaged in marketing and sales of Tanishq Jewellery.

Financials (Standalone):

For the year ended*/As on	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	651.25	514.04
EBITDA	21.38	23.98
PAT	4.57	5.44
Total Debt	152.78	146.90
Adjusted Tangible Net worth	50.01	55.32
EBITDA Margin (%)	3.28	4.66
PAT Margin (%)	0.70	1.06
Adjusted Overall Gearing Ratio (x)	3.05	2.66
Interest Coverage Ratio (x)	1.40	1.48

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: CRISIL vide press release date May 30 2025, has classify the case under Issuer Not Cooperating on account of non-submission of relevant information

Any other information: NIL



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Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25 (May 25, 2024)	Date(s) & Rating(s) assigned in 2023-24 (March 27, 2023)	Date(s) & Rating(s) assigned in 2022-23
1.	Fund Based	Long Term	34.41	IVR BBB-/Stable	IVR BBB-/Stable	IVR BB+/Stable	-
2.	Fund based	Short Term	98.00	IVR A3	IVR A3	IVR A4+	-

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About Infomerics:

Infomerics Valuation and Rating Limited (Infomerics) [Formerly Infomerics Valuation and Rating Private Limited] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

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Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	-	-	Apr 2031	5.60	IVR BBB-/Stable
Term Loan	-	-	Apr 2031	2.01	IVR BBB-/Stable
Term Loan	-	-	Apr 2031	2.54	IVR BBB-/Stable
Term Loan	-	-	Oct 2030	8.26	IVR BBB-/Stable
Cash Credit	-	-	-	16.00	IVR BBB-/Stable
Inventory Funding	-	-	-	5.00	IVR A3
Inventory Funding	-	-	-	5.00	IVR A3
Inventory Funding	-	-	-	15.00	IVR A3
Inventory Funding	-	-	-	20.00	IVR A3
Inventory Funding	-	-	-	18.00	IVR A3
Inventory Funding	-	-	-	35.00	IVR A3

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-mycar-aug25.pdf>

Annexure 3: Detailed explanation of covenants of the rated instrument/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated analysis: Not Applicable



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Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [Complexity Level of Rated Instruments/Facilities](#).