September 14, 2026

Progressive Automobiles Private Limited: Ratings upgraded and removed from Issuer Not Cooperating Category; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term – Fund-based – Cash credit	9.70	1.75	[ICRA]BB (Stable); upgraded from [ICRA]B+ (Stable), removed from Issuer Not Cooperating Category	RBI
Long-term – Fund-based – Working capital limits	-	49.15	[ICRA]BB (Stable); upgraded from [ICRA]B+ (Stable) and removed from Issuer Not Cooperating Category; assigned for enhanced amount	RBI
Long-term – Fund-based – Term loan	-	8.00	[ICRA]BB (Stable); assigned	RBI
Long-term/ Short-term – Unallocated	7.30	1.10	[ICRA]BB (Stable)/ [ICRA]A4+; upgraded from [ICRA]B+ (Stable)/ [ICRA]A4 and removed from Issuer Not Cooperating Category	RBI
Total	**17.00**	**60.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments, which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The ratings upgrade of Progressive Automobiles Private Limited (PAPL), along with the removal of the ratings from the "Issuer Not Cooperating" category factor in the resumption of cooperation by the company in terms of information sharing. The ratings upgrade factor in the promoters' experience in the automobile dealership business and the company's established presence and exclusive authorised dealership of Tata Motors Limited (TML) in the state of Tripura for both commercial vehicles (CVs) and passenger vehicles (PVs). The ratings derive comfort from the company's association with TML, which holds a strong market position in the domestic CV and PV segments.

PAPL has reported around 32% increase in operating income (OI) to Rs. 243.3 crore in FY2026 (provisional) from Rs. 184.8 crore in FY2025, supported by healthy demand across both segments. The revenue growth was driven by strong volume expansion, with CV sales increasing by around 34% and PV by around 12% in FY2026 over FY2025. The CV segment remained the key revenue driver, accounting for around 68% of revenues in FY2026, while the PV segment generated the remaining 32%. Although PAPL reported healthy growth in revenues and vehicle sales, its profitability remained modest due to the inherently low-margin in the automobile dealership business. Consequently, PAPL's operating profit margin (OPM) remained at 3-4% over FY2022-FY2026.

The ratings are, however, remains constrained by the low-margin nature of the automobile dealership business and limited pricing flexibility, as vehicle prices are decided by the principal. It is also exposed to the cyclical CV segment, which primarily drives revenues. The ratings are also constrained by the moderate financial profile reflected in interest coverage and Total Debt/OPBDITA of 2.1 times and 6.6 times, respectively, in FY2026 due to the high reliance on working capital debt and low earnings. Further, the company's operations are concentrated in Tripura, exposing it to region-specific risks.

The Stable outlook on the long-term rating reflects ICRA's opinion that PAPL's operational profile will remain stable, supported by TML's steady market position and healthy demand for its CVs and PVs in Tripura, which is expected to drive healthy revenue growth over the medium term. The outlook also factors in ICRA's anticipation that any incremental capital expenditure (capex) will be funded prudently, such that the company is able to maintain its debt protection metrics at levels commensurate with the current rating.

Key rating drivers and their description

Credit strengths

Long experience of promoters in auto-dealership business – PAPL's ratings derive comfort from the extensive experience of its promoters in the automobile and machinery business. The company is managed by Mr. Biplab Kumar Saha, Mrs. Suparna Saha and Mr. Dilip Kumar Saha, who all have close to two decades of experience in automobile dealership and other businesses.

Sole authorised dealer of TML in Tripura – PAPL enjoys an established presence as the sole authorised dealer of TML in Tripura. The company has been an authorised dealer of TML since 2016, and it benefits from TML's strong market position in the domestic PV and CV segments. PAPL reported growth across both segments in FY2026, with PV sales volumes increasing by 12% to 912 units from 815 units in FY2025 and CV sales volumes rising by 34% to 795 units from 592 units in FY2025, supported by healthy demand and its established sales network.

Credit challenges

Inherently low margins in auto dealership business – PAPL's profitability is reflected in the inherently low-margin nature of the automobile dealership business, wherein gross margins are determined by the principal, TML. Despite reporting healthy growth in revenues and vehicle sales, the company's profitability remained modest, with the OPM sustaining in the range of 3-4% during FY2022-FY2026. The company also remains exposed to revenue concentration risk, as its entire revenue stream is derived from a single principal, TML.

Moderate financial profile – PAPL ratings are constrained by PAPL's modest financial profile, as reflected in its moderate debt coverage indicators. The company's financial flexibility remains limited by the inherent characteristics of the automobile dealership business. The interest coverage and Total Debt/OPBDITA remained moderate at 2.1 times and 6.6 times, respectively, in FY2026 due to the company's high reliance on working capital debt and low earnings.

High geographical-concentration risk – PAPL's operations are concentrated in Tripura, where it operates eight outlets, including six showrooms and two service centres. This concentration exposes the company to region-specific risks and limits its geographic diversification.

Intensely competitive industry, business exposed to cyclicality in the industry – The automotive dealership industry remains highly competitive, with intense competition from other dealers. In addition, dealerships need to make regular investments to upgrade their outlets as per the principal's requirements, which can put pressure on cash flows.

Liquidity position: Adequate

The company's liquidity position is adequate, supported by free cash and liquid investments of around Rs. 7.4 crore and adequate buffer in working capital limits. The average utilisation of working capital limits was around 78% during the 12 months ending in July 2026, against sanctioned limits of Rs. 57.6 crore. The liquidity profile is further supported by modest debt repayment obligations of around Rs. 2 crore and planned capex of Rs. 2-3 crore in FY2027, which are expected to be funded through a combination of internal accruals and term loan.

Rating sensitivities

Positive factors – The ratings may be upgraded if there is sustained improvement in scale and profitability, while maintaining comfortable working capital cycle and liquidity.

Negative factors – The ratings may be downgraded if there is a significant decline in profitability, leading to deterioration in debt coverage indicators or elongation of the working capital cycle thereby adversely impacting the company's financial profile and liquidity position.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	[Corporate Credit Rating Methodology](#) [Automobile Dealers](#)
Parent/Group support	Not applicable
Consolidation/Standalone	Standalone

About the company

Incorporated in August 2015, Progressive Automobiles Private Limited is the sole authorised dealer of Tata Motors Limited in Tripura for its passenger vehicles and commercial vehicles. The company commenced operations from February 2016, with a 3S (Sales, Service and Spares) facility in Agartala and has since established a dealership network across the state, catering to both retail and institutional customers through its vehicle sales, servicing and spare parts business. Currently, the company runs eight outlets, including six showrooms and two service centres.

Key financial indicators (Audited)

PAPL	FY2025	FY2026*
Operating income	184.8	243.3
PAT	2.3	3.0
OPBDIT/OI	3.9%	3.2%
PAT/OI	1.3%	1.2%
Total outside liabilities/Tangible net worth (times)	2.8	3.0
Total debt/OPBDIT (times)	5.6	6.6
Interest coverage (times)	1.9	2.1

*Source: Company, ICRA Research; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; * Provisional*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2027)			Chronology of rating history for the past 3 years					
	Type	Amount Rated (Rs. crore)	Sep 14, 2026	FY2026		FY2025		FY2024	
				Date	Rating	Date	Rating	Date	Rating
Cash Credit	Long term	1.75	[ICRA]BB (Stable)	Aug 28, 2025	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	May 28, 2024	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	-
Working capital limits	Long term	49.15	[ICRA]BB (Stable)	-	-	-	-	-	-
Term Loan	Long term	8.00	[ICRA]BB (Stable)	-	-	-	-	-	-
Unallocated	Long term/ Short term	1.10	[ICRA]BB (Stable)/ [ICRA]A4+	Aug 28, 2025	[ICRA]B+ (Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING	May 28, 2024	[ICRA]B+ (Stable); ISSUER NOT COOPERATING/ [ICRA]A4; ISSUER NOT COOPERATING	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash credit	Simple
Long-term – Fund-based – Working capital limits	Simple
Long-term – Fund-based – Term loan	Simple
Long-term/ Short-term – Unallocated	Not Applicable

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: Click here

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated in Rs. crore	Current rating and outlook	Financial Sector Regulator#
NA	**Cash Credit**	NA	NA	NA	1.75	[ICRA]BB (Stable)	RBI
NA	**Working Capital Limits**	NA	NA	NA	49.15	[ICRA]BB (Stable)	RBI
NA	**Term Loan**	June 2026	8.65%	June 2031	8.00	[ICRA]BB (Stable)	RBI
NA	**Unallocated**	NA	NA	NA	1.10	[ICRA]BB (Stable)/ [ICRA]A4+	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis – Not Applicable

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ABOUT ICRA LIMITED

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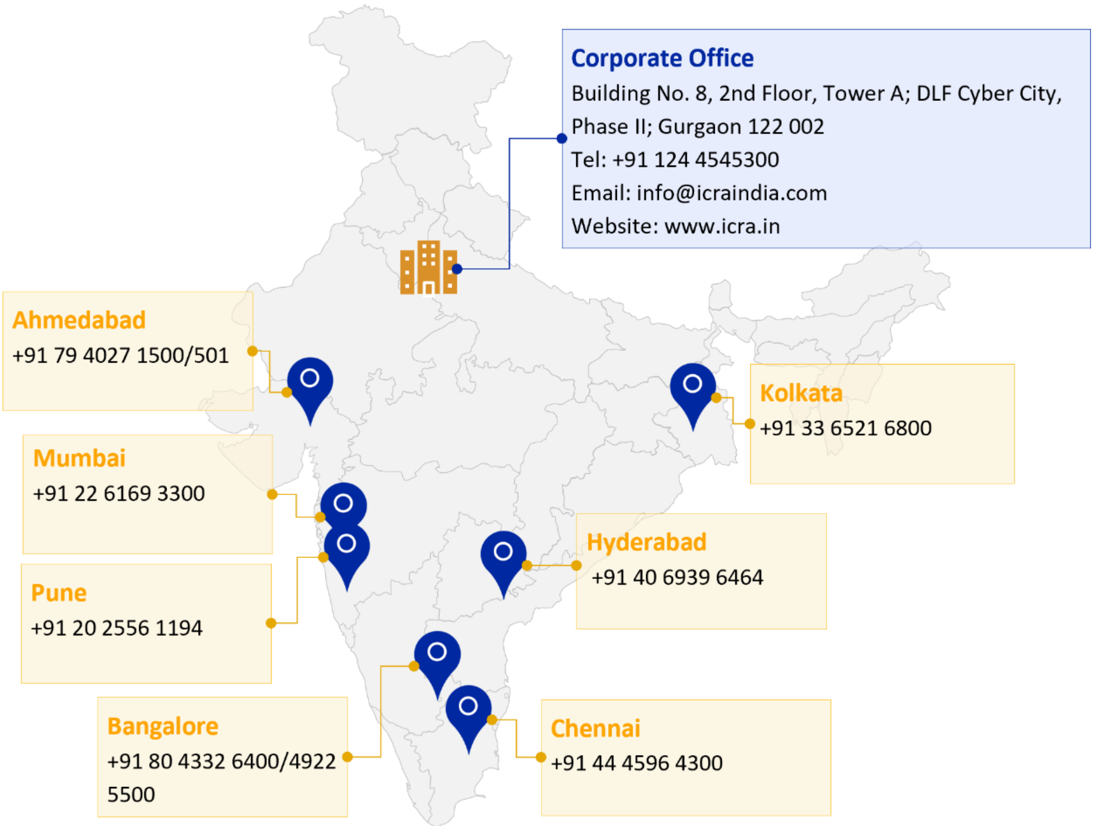

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