

May 15, 2026

Jamkash Vehicleades (Kashmir) Private Limited: Ratings reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term – Fund-based – Cash credit	25.40	8.00	[ICRA]BBB (Stable); reaffirmed
Long-term – Fund-based – Inventory funding facility	30.00	70.00	[ICRA]BBB (Stable); reaffirmed
Short-term – Non-fund based limits – Bank guarantee	12.60	12.60	[ICRA]A3+; reaffirmed
Long-term – Fund-based – Term loan	1.70	0.14	[ICRA]BBB (Stable); reaffirmed
Long-term – Fund based – Term loan (GECL)	20.15	15.11	[ICRA]BBB (Stable); reaffirmed
Short-term – Fund-based/ Non-fund based bank facilities – Ad-hoc limit	9.00	5.00	[ICRA]A3+; reaffirmed
Long-term – Fund-based – Inventory funding facility (proposed)	45.00	-	-
Long-term/ Short-term – Unallocated	0.15	-	-
Total	144.00	110.85	

*Instrument details are provided in Annexure II

Rationale

The ratings reaffirmation for Jamkash Vehicleades (Kashmir) Private Limited (JVKPL) factors in the company's steady operational performance, aided by its established market position in Kashmir and the extensive experience of its promoters, Mr. Irfan Ahmad and Jamkash Vehicleades Private Limited (JVPL), in the automotive dealership business. The company enjoys an established and healthy relationship with Maruti Suzuki India Limited (MSIL), the market leader in the domestic passenger vehicle (PV) segment and continues to be the largest dealer for the original equipment manufacturer (OEM) in Kashmir, with an estimated market share of around 70%.

The company reported operating income of Rs. 726.4 crore in FY2025, registering a YoY growth of around 5%; however, the revenues are estimated to have remained largely flat at around Rs. 715-720 crore in FY2026. Following the Pahalgam attack in April 2025, tourism in Kashmir was severely impacted in FY2026, which, in turn, adversely affected vehicle demand and sales. The company witnessed a sharp decline of around 70% in commercial fleet sales in FY2026, after the incident. This decline was partly offset by a shift towards PVs, although at a lower average realisation, resulting in overall sales volumes remaining largely stable at around 13,250 units; additionally, GST reduction-related benefits aided recovery in volumes in H2 FY2026.

The company's operating profit margin is estimated to remain at around 4.5% in FY2026 (4.1% in FY2025), the same was partially impacted by an adverse product mix, with lower contribution from higher-margin models such as the Ertiga, in favour of entry-level models. Nevertheless, the operating profitability continues to be supported by ancillary income from the sale of in-house insurance products and accessories. Going forward, the company's operating performance is likely to improve, supported by steady demand for MSIL vehicles, JVKPL's leadership position in the region, along with gradual resumption of normal economic conditions in Kashmir.

As on March 31, 2026, the company had total debt of Rs. 62-63 crore, largely comprising working capital borrowings of Rs. 43.7 crore. The ratings continue to factor in the company's comfortable financial risk profile, supported by healthy interest

coverage of 3.1 times in H1-FY2026 and FY2025 and moderate TD/OPBITDA of around 2.0x-2.2x in FY2026. While the company does not have any significant expansion plans, any sizeable debt-funded capex or increase in working capital requirements will remain monitorable.

These strengths are, however, partly offset by product and geographical concentration risks. Around 85% of the company's revenues are derived from vehicle sales, with the balance coming from service income and the sale of spare parts and accessories. Further, all company's outlets are in Kashmir, exposing it to any adverse economic developments in the region. In this context, the impact of ongoing geopolitical developments on the state's economy and the company's business operations will continue to be monitored. The ratings also factor in JVKPL's exposure to the intense competition as well as the inherent cyclical nature of the automobile industry. Additionally, margins remain constrained by the dealership nature of its operations, wherein vehicle sales—the primary revenue stream—generate relatively thin margins.

The Stable outlook reflects ICRA's expectation that in the absence of any significant debt-funded capex plans, the company will continue to maintain a comfortable financial profile, and will benefit from its established presence in Kashmir, and MSIL's position as a market leader in the domestic PV segment.

Key rating drivers and their description

Credit strengths

Long track record of operations and leadership position for MSIL in Kashmir – Owing to its association with MSIL for more than two decades, JVKPL has established a strong market position as MSIL's dealer in northern and central Kashmir. It has a network of 17-18 retail outlets across six districts, including 11 showrooms that operate as 3S (sales, service, spares) outlets. A large number of these showrooms are owned by the company. JVKPL, as the largest MSIL dealer in Kashmir, holds a market share of about 70% in the region. Going forward, MSIL's leadership position along with promoters' rich experience and the company's established presence are expected to support JVKPL in maintaining its dominant position in the state.

Comfortable financial risk profile – The company's debt protection metrics remain adequate, as indicated by an interest coverage of 3.1 times in FY2025 and H1-FY2026 (provisional); it is likely to improve to 3.4-3.6 times in the near term, aided by an improvement in the operating profitability. Its TD/OPBITDA is likely to improve and remain moderate at 2.0-2.5x during FY2026-FY2027 (3.3x in FY2025). While the company does not have any significant expansion plans, any major debt-funded capex along with an increase in working capital requirement will remain a key monitorable.

Credit challenges

Product and geographical concentration risks – The company generates around 85% of its revenue from the sale of PVs and 10-15% from the sale of spare parts/accessories and car servicing. Moreover, JVKPL's revenues are concentrated in Kashmir, largely to its northern and central parts, where all its sales outlets and service centres are located. In FY2026, JVKPL sold 13,249 new vehicles, higher than the 12,491 vehicles sold in the preceding year; however, around 70% of its total volumes were generated by its six sales showrooms. This exposes the company to geographical concentration risk, as any economic downturn, particularly in the state, might impact its demand and business performance. While the same is partly mitigated by the company's leadership position in Kashmir, the pace of normalisation of conditions following the Pahalgam attack, as well as the impact of any geopolitical developments on the state's economy and the company's operating performance, will remain monitorable.

Low profitability inherent to nature of business – OEMs encourage dealers to improve sales, leading to intense competition among them. The same also leads to susceptibility in operating margins as dealers extend higher discounts in a competitive market. Further, commissions paid to dealers by the principal may fluctuate, which constrains the business of auto dealerships. Additionally, JVKPL also faces revenue concentration as its entire revenues are solely dependent on a single principal, MSIL. ICRA notes that JVKPL's operating profit margins have historically remained thin, in the range of 4.0-4.5%, and are expected to remain largely stable at around 4.5% in the near term. Its profitability is partly supported by the sale of in-house insurance

products and accessories. Further, the company follows a conservative pricing strategy and does not engage in dealer-level discounting as such, which helps limit margin volatility to some extent.

Susceptibility to cyclicity in the auto industry – The company, by virtue of being in the auto dealership industry, is susceptible to the risks arising from its cyclicity. Further, uncertainties in the economy or monetary tightening measures, such as higher interest rates, may have a significant impact on the business.

Liquidity position: Adequate

JVKPL’s liquidity is expected to remain adequate, characterised by free cash and bank balances of Rs. 9-10 crore as of September 2025 and an unutilised buffer of around Rs 40 crore in fund-based working capital facilities as of March 31, 2026. The company has annual repayment obligation of around Rs. 6 crore in FY2027, towards the GECL loan from J&K Bank, which is likely to be met through internal accruals. The expected capex requirements of Rs. 10-15 crore in FY2027 is to be partly funded through debt.

Rating sensitivities

Positive factors – The ratings could be upgraded if the company demonstrates a healthy improvement in the sales volume and revenues, while improving its debt metrics on a sustained basis. Specific credit metric for a rating upgrade would include an interest coverage above 4.0 times on a sustained basis.

Negative factors – The ratings could be downgraded if there is a material decline in the operating revenues/earnings, or a stretched working capital cycle, weakening the company’s liquidity position or debt protection metrics. Specific credit metrics, which could lead to ratings downgrade, include a decline in the interest coverage to less than 3.0 times on a sustained basis.

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 2009, Jamkash Vehicleleads (Kashmir) Pvt. Ltd. is an authorised dealer of MSIL. Set up by Mr. Irfan Ahmad and the Late Devendra Rana, it was the first dealership of the Vehicleleads Group in Kashmir. JVKPL is equally owned by Mr. Irfan Ahmad (50%) and JVPL (50%). While the company operates from Kashmir, the parent entity operates from Jammu. The day-to-day operations of JVKPL are entirely handled by Mr. Irfan Ahmad and his son, Mr. Awaan Ahmad, with no material operational involvement of the Rana family, promoters of JVPL. The company has 11 showrooms that also operate as 3S outlets in the state. It mainly sells vehicles in the economy segment, with prices ranging under Rs. 6.0 lakh.

The dealership has standard showrooms and workshops across the six districts of Srinagar, Baramulla, Ganderbal, Kupwara, Bandipora and Budgam, covering northern and central Kashmir. In addition to the sale of new MSIL vehicles, this dealership offers accessories, Maruti Suzuki True Value (used cars) vehicles, Maruti Suzuki insurance, registration facilities, and vehicle loan assistance for customers from banks. The entity has a Maruti Genuine Parts (MGP) store for spares, and an integral body repair shop at its workshops.

Key financial indicators (audited)

JVKPL (Standalone)	FY2024	FY2025	H1 FY2026*
Operating income	689.8	726.4	310.4
PAT	9.8	9.8	7.0
OPBDITA/OI	3.8%	4.1%	4.9%
PAT/OI	1.4%	1.4%	2.2%
Total outside liabilities/Tangible net worth (times)	2.6	2.6	-
Total debt/OPBDITA (times)	3.1	3.3	2.9
Interest coverage (times)	3.2	3.1	3.1

Source: Company, ICRA Research; *Provisional numbers, balance sheet figures not applicable; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: Operating profit before depreciation, interest, taxes and amortisation

Note: The company has received advance trade discounts from paint suppliers, which have been classified by the auditor under long term borrowings. However, ICRA has reclassified the same under other liabilities, as these are in the nature of vendor discounts and do not involve any repayment obligation or interest cost. The outstanding amount stood at Rs 19.7 crore as on March 31, 2026 (Rs 16.7 crore as on March 31, 2025).

Status of non-cooperation with previous CRA:

CRA	Rating Action	Date of Release
Brickwork	BWR B +/Stable/ BWR A4; ISSUER NOT COOPERATING; Continues to be in ISSUER NOT COOPERATING category	February 26, 2026

Any other information: None

Rating history for past three years

Current (FY2027)			Chronology of rating history for the past 3 years						
Instrument	Type	Amount rated (Rs. crore)	FY2026		FY2025		FY2024		
			May 15, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Cash Credit	Long term	8.00	[ICRA] BBB(Stable)	May 14, 2025	[ICRA]BBB (Stable)	-	-	-	-
Fund-based – Inventory funding facility	Long term	70.00	[ICRA] BBB(Stable)	May 14, 2025	[ICRA]BBB (Stable)	-	-	-	-
Fund-based - Inventory funding facility (proposed)	Long term	-	-	May 14, 2025	[ICRA]BBB (Stable)	-	-	-	-
Non-fund Based Limits – Bank Guarantee	Short-term	12.60	[ICRA] A3+	May 14, 2025	[ICRA]A3+	-	-	-	-
Fund-based - Term loan	Long term	0.14	[ICRA] BBB(Stable)	May 14, 2025	[ICRA]BBB (Stable)	-	-	-	-
Fund based – Term loan (GECL)	Long term	15.11	[ICRA] BBB(Stable)	May 14, 2025	[ICRA]BBB (Stable)	-	-	-	-
Fund-based/non-fund based bank facilities - ad-hoc limit	Short-term	5.00	[ICRA] A3+	May 14, 2025	[ICRA]A3+	-	-	-	-
Unallocated	Long term/short term	-	-	May 14, 2025	[ICRA]BBB (Stable)/ [ICRA]A3+	-	-	-	-

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs (\$)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, FIs	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA

Sr. No.	Instrument	FSR
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) Includes securitisation transactions involving assignee payout, acquirer's payout.

(\$) Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

(%) These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI
5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: 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 FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term – Fund-based – Cash Credit	Simple
Long-term – Fund-based –Inventory funding facility	Simple
Short-term – Non-fund Based Limits – Bank Guarantee	simple
Long-term – Fund-based -Term loan	Simple
Long term – Fund based – Term loan (GECL)	Simple
Short-term fund-based/non-fund based bank facilities -ad-hoc limit	Simple

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 II: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook
NA	Fund-based – Cash Credit	NA	NA	NA	8.00	[ICRA] BBB(Stable)
NA	Fund-based –Inventory funding facility	NA	NA	NA	70.00	[ICRA] BBB(Stable)
NA	Non-fund based limits – Bank Guarantee	NA	NA	NA	12.60	[ICRA] A3+
NA	Fund-based – Term loan	FY2016-FY2019**	NA	FY2027	0.14	[ICRA] BBB(Stable)
NA	Fund-based – Term loan (GECL)- I	FY2023	NA	FY2029	14.31	[ICRA] BBB(Stable)
NA	Fund-based – Term loan (GECL) II	FY2025*	NA	FY2028	0.80	[ICRA] BBB(Stable)
NA	Fund-based/ Non-fund based bank facilities – Ad-hoc limit	NA	NA	NA	5.00	[ICRA] A3+

Source: Company; *based on last renewal letter; **issued in multiple tranches

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure III: List of entities considered for consolidated analysis – Not applicable

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Branches



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