

July 21, 2023

Sri Jayarama Automotives Private Limited: Long-term rating downgraded based on best available information and moved to Non Cooperating category; Short-term rating moved to Non Cooperating category

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term – Fund Based – Cash Credit	21.00	21.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB (Stable) and moved to the 'Issuer Not Cooperating' category
Short Term – Non-Fund Based	4.00	4.00	[ICRA]A4 ISSUER NOT COOPERATING*; rating moved to the 'Issuer Not Cooperating' category
Total	25.00	25.00	

*Instrument details are provided in Annexure-I

Rationale

The rating downgrade is because of lack of adequate information regarding **Sri Jayarama Automotives Private Limited** performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with **Sri Jayarama Automotives Private Limited**, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities: [Click here](#). ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Policy in respect of non-cooperation by the rated entity Rating Methodology for Automobile Dealerships
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has standalone financials of SJMPL

About the company

Sri Jayarama Automotives Private Limited (SJAPL) was incorporated in the year 2005 as a private limited company. SJAPL is a sole authorised dealer of Mahindra & Mahindra tractors and spare parts in Mahbubnagar district of Telangana. The company has presence in Mahabubnagar, Rangareddy, Wanaparthy, Gadwal, Narayanpet and Nagar Kurnool districts of Telangana. It is also an authorised dealer for Exide batteries, CEAT tyres and ELF lubricants in Mahbubnagar district. SJAPL serves as a distributor for tractor trailers and agricultural implements manufactured by its group concern Sri Rama Engineering Company. The company had 19 showrooms and workshops as on December 31, 2021.

Key financial indicators

	FY2022	FY2023*
Operating Income (Rs. crore)	234.6	281.8
PAT (Rs. crore)	1.1	1.4
OPBDIT/OI (%)	2.8%	2.5%
PAT/OI (%)	0.5%	0.5%
Total Outside Liabilities/Tangible Net Worth (times)	7.3	4.9
Total Debt/OPBDIT (times)	4.5	4.4
Interest Coverage (times)	1.3	1.3

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation; Amount in Rs. crore; All calculations are as per ICRA research

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years			
		Amount rated (Rs. crore)	Amount outstanding (Rs. Crore)	Date & rating in FY2024	Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021
				Jul 21, 2023	Apr 04, 2022	Jan 27, 2022	Nov 27, 2020
1 Cash credit	Long Term	21.00	-	[ICRA]B+(Stable); ISSUER NOT COOPERATING	[ICRA]BB (Stable)	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]B+(Stable) ISSUER NOT COOPERATING
2 Non-Fund Based	Short Term	4.00	-	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund-based – Cash Credit	Simple
Short term – Non-Fund Based	Very 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 I: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	21.00	[ICRA]B+(Stable); ISSUER NOT COOPERATING
NA	Bank Guarantee	NA	NA	NA	4.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Company

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

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

ANALYST CONTACTS

Shamsher Dewan
+91 124 4545328
shamsherd@icraindia.com

Srikumar Krishnamurthy
+91 022 61143400
ksrikumar@icraindia.com

Nithya Debbadi
+91 40 4067 6515
Nithya.debbadi@icraindia.com

Akshay Dangi
91 40 4067 6528
akshay.dangi@icraindia.com

RELATIONSHIP CONTACT

L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



Branches



© Copyright, 2023 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.