

December 31, 2025 (Revised)

Jayabheri Automotives 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	179.00	180.75	[ICRA]BB-(Stable); reaffirmed
Long-term– Fund-based Term Loan	40.33	36.23	[ICRA]BB-(Stable); reaffirmed
Short Term- Non-fund Based	1.05	1.05	[ICRA]A4; reaffirmed
Short Term- Fund Based-Others	1.75	0.70	[ICRA]A4; reaffirmed
Long Term/Short Term – Unallocated	26.18	29.58	[ICRA]BB-(Stable)/[ICRA]A4; reaffirmed
Total	248.31	248.31	

*Instrument details are provided in Annexure I

Rationale

The ratings factor in Jayabheri Automotives Private Limited’s (JAPL) established position as a leading dealer for Maruti Suzuki India Limited (MSIL) in Hyderabad, Visakhapatnam, and Vizianagaram markets, supported by a wide network of 33 sales outlets. The ratings also draw comfort from MSIL’s continued market position as the largest domestic passenger vehicle manufacturer in India, which provides steady business prospects for JAPL.

In FY2025, the company’s performance was impacted by demand softness and competition in Andhra Pradesh and Telangana. Revenues declined by 13.3% in FY2025 and by 4.5% in H1 FY2026, primarily due to fall in sales volumes of new vehicles. Reduced scale of operations and high fixed overheads resulted in a decline in the operating margin to 2.2% in H1 FY2026 and 2.3% in FY2025 from 2.8% in FY2024, leading to net losses in FY2025 and H1 FY2026. While JAPL’s revenues are expected to improve in H2 FY2026, aided by festive demand and GST rationalisation, margins are likely to remain subdued in the near term.

Further, sustained capex and continued reliance on working capital borrowings led to elevated debt levels and weak coverage metrics, as reflected in DSCR of less than 1 times in FY2025. Timely ramp-up of new showrooms and moderation in borrowings remain critical for improvement in debt metrics. The ratings also factor in the high refinancing risk due to reliance on short-term debt and intense competition from MSIL dealers and that of other original equipment manufacturers (OEMs).

The Stable outlook on the [ICRA]BB- rating reflects ICRA’s opinion that growth in JAPL’s revenues, supported by OEM’s planned launches and the company’s established position as an MSIL dealer, will aid in gradual improvement in earnings.

Key rating drivers and their description

Credit strengths

Established track record as MSIL dealer – JAPL is a part of the Jayabheri Group of Companies with presence in automobile dealership, real estate, and film production. JAPL is an authorised dealer of passenger cars for MSIL and has a wide network of 33 sales outlets, nine workshops and two stock yards in Andhra Pradesh and Telangana.

Dominant market position of MSIL in domestic passenger vehicle market – MSIL has sustained its leadership position in the Indian domestic passenger vehicle (PV) segment, with its market share improving over the years, driven by the success of its

new models and healthy performance of its existing models. MSIL's market share in the PV segment in FY2025 stood at around 41.0%, which makes it a market leader in the PV segment.

Credit challenges

Moderate financial profile – The company's financial profile is characterised by thin margins, high debt levels, and stretched coverage indicators. Its operating margin declined to 2.3% in FY2025 from 2.8% in FY2024 owing to reduced scale of operations amid high fixed overheads. Lower margins and elevated debt levels affected the company's debt metrics with the interest coverage moderating to 1.1 times in FY2025 from 1.5 times in FY2024. The gearing remained high at 4.2 times as on March 31, 2025. Timely ramp-up of new showrooms and moderation in debt levels remain key monitorable. ICRA expects the company's operating margin to improve marginally, going forward, and debt metrics to remain subdued, given the high working capital borrowings and on-going debt-funded capex plans.

High refinancing risk, given the asset-liability mismatch – The company's reliance on working capital and short-term debt continues to remain high, as indicated by the current ratio of less than 1 times and high utilisation against the drawing power, which poses a significant refinancing risk. It plans to avail long-term loans to address the risk. Timely drawdown of the loans remains critical to address the asset-liability mismatch.

Low profit margins inherent to the auto dealership business and exposure to high competition – Inherent to the trading nature of the automobile dealership business, the company's operating profit margin has been thin as low-margin vehicle sales dominate the revenue mix. Intense competition from the dealers of MSIL and other OEMs also exerts pressure on JAPL's sales volumes and margins.

Liquidity position: Stretched

The company's liquidity position is stretched. The company had cash and bank balance of Rs. 8.7 crore as on March 31, 2025, while buffer against the drawing power remains low. The company has repayment obligations of Rs. 10-12 crore and capex plans of around Rs. 10 crore in FY2026, which would be funded through a mix of external debt and promoter fundings.

Rating sensitivities

Positive factors – ICRA could upgrade JAPL's ratings if it demonstrates a healthy growth in revenues and earnings, leading to an improvement in its liquidity position and debt metrics on a sustained basis. Infusion of long-term funds to address its asset-liability mismatch also remains critical.

Negative factors – Pressure on JAPL's ratings could arise if the company's operating performance weakens further or if there is any delay in receipt of funding support from the promoters.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Automobile Dealers Corporate Credit Rating Methodology
Parent/Group support	Not Applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the standalone financials of JAPL.

About the company

Jayabheri Automotives Private Limited (JAPL) was incorporated in 2011 and is a part of the Jayabheri Group of Companies, having presence in real estate and film production. JAPL is an authorised dealer of passenger cars for MSIL in Vizianagaram, Hyderabad and Visakhapatnam. The company is promoted by Mr. D. Kishore and Mr. Murali Mohan. The company has 33 showrooms, nine workshops, and two stockyards as of November 2025 across Telangana and Andhra Pradesh.

Key financial indicators (audited)

JAPL - Standalone	FY2024	FY2025	H1FY2026
Operating income	803.5	696.4	332.4
PAT	4.1	-3.0	-2.7
OPBDIT/OI	2.8%	2.3%	2.2%
PAT/OI	0.5%	-0.4%	-0.8%
Total outside liabilities/Tangible net worth (times)	5.1	4.9	5.7
Total debt/OPBDIT (times)	9.8	12.5	13.7
Interest coverage (times)	1.5	1.1	1.0

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2026)			Chronology of rating history for the past 3 years									
	Type	Amount Rated (Rs Crore)	Dec 31, 2025	FY2025				FY2024				FY2023	
				Date	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating
Fund based-Cash Credit	Long Term	180.75	[ICRA]BB-(Stable)	Dec 24, 2024	[ICRA]BB-(Stable)	Sep 30, 2024	[ICRA]BB-(Stable)	03-Aug-23	[ICRA]BB (Stable)	30-Jun-23	[ICRA]BB (Stable)	-	-
Term Loan	Long Term	36.23	[ICRA]BB-(Stable)	Dec 24, 2024	[ICRA]BB-(Stable)	Sep 30, 2024	[ICRA]BB-(Stable)	03-Aug-23	[ICRA]BB (Stable)	30-Jun-23	[ICRA]BB (Stable)	-	-
Bank Guarantee	Short Term	1.05	[ICRA]A4 (Stable)	Dec 24, 2024	[ICRA]A4 (Stable)	Sep 30, 2024	[ICRA]A4	03-Aug-23	[ICRA]A4	30-Jun-23	[ICRA]A4	-	-
Fund Based- Others	Short Term	0.70	[ICRA]A4 (Stable)	Dec 24, 2024	[ICRA]A4 (Stable)	-	-	-	-	-	-	-	-
Unallocated	Long Term/Short Term	29.58	[ICRA]BB-(Stable) / [ICRA]A4	Dec 24, 2024	[ICRA]BB-(Stable) / [ICRA]A4	Sep 30, 2024	[ICRA]BB-(Stable)/[ICRA]A4	03-Aug-23	[ICRA]BB (Stable) / [ICRA]A4	30-Jun-23	[ICRA]BB (Stable) / [ICRA]A4	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long Term- Fund Based – Cash Credit	Simple
Long-term– Fund-based Term Loan	Simple
Short Term- Non-fund Based	Simple
Short Term- Fund Based-Others	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 (Rs. crore)	Current Rating and Outlook
NA	Fund based-CC	NA	NA	NA	180.75	[ICRA]BB- (Stable)
NA	Term Loan	FY2019	NA	FY2028	36.23	[ICRA]BB- (Stable)
NA	Bank Guarantee	NA	NA	NA	1.05	[ICRA]A4
NA	Credit card	NA	NA	NA	0.70	[ICRA]A4
NA	Unallocated	NA	NA	NA	29.58	[ICRA]BB-(Stable)/[ICRA]A4

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

Corrigendum

Document dated December 31, 2025, has been corrected with revision as detailed below –

Revision in the Key Financial Indicators table numbers (Total Debt/OPBDIT (times)).

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