February 11, 2026

Jubilant Motorworks Private Limited: Ratings upgraded to [ICRA]A-/ [ICRA]A2+ and outlook revised to Stable from Negative

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund Based Limits (Cash credit/Overdraft limits)	137.50	119.30	[ICRA]A- (Stable); upgraded from [ICRA]BBB+; outlook revised to Stable from Negative
Short-term fund-based limits (Inventory funding)	474.00	438.90	[ICRA]A2+; upgraded from [ICRA]A2
Short-term non-fund-based limits (Bank guarantee)	40.00	40.00	[ICRA]A2+; upgraded from [ICRA]A2
Long-term fund-based term loan	35.00	58.30	[ICRA]A- (Stable); upgraded from [ICRA]BBB+; outlook revised to Stable from Negative
Long-term / Short-term - Unallocated	6.00	36.00	[ICRA]A- (Stable); upgraded from [ICRA]BBB+; outlook revised to Stable from Negative/ [ICRA]A2+ upgraded from [ICRA]A2
Total	**692.50**	**692.50**	

**Instrument details are provided in Annexure-I*

Rationale

The upgraded ratings and revision in the outlook on the long-term rating to Stable reflect the significant improvement in the operating performance of Jubilant Motorworks Private Limited (JMPL) in 9M FY2026, which is expected to continue going forward. This, in turn, is likely to lead to a steady improvement in its overall credit profile. The ratings also factor in ICRA's enhanced understanding that the need-based funding support to JMPL will be extended by the Jubilant Bhartia Group (JBG), instead of a specific entity. ICRA notes that the promoters have infused equity of Rs. 20 crore in YTD FY2026, and the JBG remains committed to providing any need-based funding support, if required.

The company's performance was adversely impacted in FY2024 and FY2025 amid a slower-than-expected ramp-up of new showrooms and a slowdown in demand, necessitating increased discounts to offload inventory. This weakened the operating profit margins and increased reliance on working capital borrowings. However, with the foray into the dealership of Mahindra and Mahindra Limited (M&M) in March 2025, improved performance in the MG Motor (MG) business, a change in strategy related to the Audi business, and rationalisation of other overheads, the company has witnessed a turnaround in its operating performance in 9M FY2026, with revenue of around Rs. 1,813 crore and an operating profit before interest, tax, depreciation and amortisation (OPBITDA) margin of around 4.7%, as compared to revenue of around Rs. 1,970 crore and an OPBITDA margin of 1.8% in FY2025.

Further, the ratings draw comfort from the support of the Jubilant Bhartia Group (JBG). The ratings also factor in the adequate liquidity position of the company, supported by unutilised working capital limits and available undrawn term loans as on January 30, 2026.

The ratings also factor in the established presence of JMPL in the automobile dealership industry, given its association with reputed principals such as Audi and MG in the passenger vehicle (PV) segment. JMPL commands meaningful market shares for both original equipment manufacturers (OEMs).

The ratings remain constrained by the weak capital structure, characterised by high debt levels and a negative networth position as on March 31, 2025, amid continued net losses. JMPL had undertaken a debt-funded investment of Rs. 206 crore in

March 2024 to purchase a 2.03% stake in JSW MG Motors India Private Limited. This has additionally added to the interest burden, exacerbating the net losses. Further, the leverage and coverage indicators continue to remain weak. The company faces intense competition from various dealerships of other OEMs, which could impact its earnings and profitability.
The Stable outlook on the long-term rating reflects ICRA's opinion that JMPL's debt metrics will gradually improve over the near to medium term, benefiting from the performance of its key OEMs. The company will also continue to enjoy benefits from its status as a JBG entity and the continued support from the promoters.

Key rating drivers and their description

Credit strengths

Part of JBG with demonstrated track record of receiving financial support – As part of the JBG, which has an extensive presence across diverse industries, JMPL benefits from the vast experience of its promoters and management. In FY2022, following a restructuring exercise, JMPL's shareholding (earlier held by JCPL) was directly held by the Shyam Sunder Bhartia Family Trust and the Hari Shankar Bhartia Family Trust. ICRA notes that the promoters have infused equity of Rs. 20 crore in YTD FY2026, and the JBG remains committed to providing any need-based funding support, if required. Further, being part of the JBG, JMPL enjoys strong financial flexibility to negotiate favourable terms with lenders.

Established market position with significant share of OEM business – The Group entered the auto dealership business in 2006 (under Jubilant Enpro Private Limited). Over the past decade, it has established meaningful market share for Audi and MG, its key principals, particularly in several southern and western Indian markets. The company's business profile is also augmented by its longstanding relationships with these OEMs. The Group enjoys a significant share of business from its key principals. Moreover, in FY2025 and FY2026, the company entered into new auto dealerships with M&M and MG Select, respectively. The ramp-up in operations for these businesses is expected to support the Group's revenue growth over the medium term.

Improved operating performance and adequate liquidity position – The company has witnessed a turnaround in its operating performance in 9M FY2026, with revenue of around Rs. 1,813 crore and an OPBITDA margin of around 4.7%, as compared to revenue of around Rs. 1,970 crore and an OPBITDA margin of 1.8% in FY2025. This improvement is mainly attributed to the foray into the dealership of M&M in March 2025, improved performance in the MG business, changes in strategy related to the Audi business, and rationalisation of other overheads. JMPL's liquidity position is expected to remain adequate. The company has sanctioned inventory funding lines of around Rs. 540 crore, with average month-end utilisation being moderate at 83% for the 12-month period ended November 2025. The company also has sanctioned CC/OD limits of around Rs. 137 crore, which it utilises against receivables and other stock, with average month-end utilisation of 84% for the 12-month period ended November 2025. Further, the company has an undrawn term loan of Rs. 60.0 crore as on December 31, 2025. Financial flexibility stemming from the JBG's backing provides a cushion in case of any adverse conditions or downturns in the business.

Credit challenges

Negative tangible net worth amid continued net losses – Tangible net worth turned negative in FY2025 on account of net losses. However, the net worth position is expected to improve going forward given the improvement in operating performance. ICRA also notes that the promoters have also infused equity of Rs. 20 crore in 9M FY2026.

Weak leverage and coverage indicators – JMPL's debt coverage indicators remained modest, with interest coverage of 0.4 times in FY2025 (against 0.9 times in FY2024) and total debt/OPBITDA of 25.7 times in FY2025 (against 16.5 times in FY2024). The capital structure, leverage and debt coverage indicators are expected to remain modest, given the low-margin nature of the business and higher working capital requirements to fund growth. That said, there is expected to be a YoY improvement going forward, led by an increase in the scale of operations and improved profitability.

Intense competition and regional concentration of sales – JMPL is exposed to intense competition from dealerships of other luxury car brands, especially Mercedes and BMW, which may continue to exert pressure on its revenues and profitability. In the MG business, JMPL faces competition from various other brands. Moreover, JMPL's sales are regionally concentrated, with most of its revenues coming from Karnataka. However, the company's Audi dealerships are present in Mumbai, Goa and Nashik (Maharashtra), reducing geographical concentration risk to some extent. The addition of new OEMs such as Mahindra & Mahindra and MG Select to its portfolio also imparts diversity to its revenue streams.

Liquidity position: Adequate

JMPL's liquidity position is expected to remain adequate. The company has sanctioned inventory funding lines of around Rs. 540 crore, with average month-end utilisation of 83% for the 12-month period ended November 2025. It also has sanctioned CC/OD limits of around Rs. 137 crore, utilised against receivables and other stock, with average month-end utilisation of 84% for the same period. Further, the company has an undrawn term loan of Rs. 60.0 crore as on December 31, 2025. The company does not expect to incur any major capex in FY2027, with maintenance capex requirements of around Rs. 10-15 crore. It has scheduled debt repayments of Rs. 9.5 crore in FY2027 and Rs. 9.0 crore in FY2028. Furthermore, financial flexibility emanating from the backing of the JBG provides a cushion in case of any adverse conditions or downturns in the business.

Rating sensitivities

Positive factors – ICRA could upgrade the ratings if JMPL reports healthy improvement in its scale and profitability of its operations, along with efficient working capital management, resulting in improvement in its credit metrics on a sustained basis. Furthermore, improvement in the credit profile of JBG (support provider) would be a positive factor.

Negative factors – Sustained deterioration in the credit profile of the support provider, JBG, or weakening of linkages with JBG will exert downward pressure on the rating. Negative pressure on the ratings would also arise in case the company is unable to sustain the turnaround in its operations leading to weakening in profitability and/or deterioration in its working capital cycle, which adversely impacts the company's financial metrics and liquidity profile.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Automobile Dealers
Parent/Group support	JMPL is a JBG company. The upgraded ratings factor in the high likelihood of the JBG extending financial support. ICRA expects JBG to be willing to extend financial support to JMPL out of their need to protect their reputation from the consequences of a Group entity's distress. There is also a history of JBG extending timely financial support to the company, whenever a need has arisen. The ratings factor in ICRA's enhanced understanding that the need- based funding support to JMPL will be extended by the Jubilant Bhartia Group (JBG), instead of a specific entity.
Consolidation/Standalone	ICRA has taken a consolidated view of JMPL and its two subsidiaries, while assigning the credit ratings, given the common management and significant operational and financial linkages among the entities. For arriving at the ratings, ICRA has considered the consolidated financials of JMPL. As on March 31, 2025, the company had two subsidiaries, which are all enlisted in Annexure II.

About the company

JMPL, incorporated in 2009, is the automobile vertical of the Jubilant Bhartia Group. The entity took over the operations of Jubilant Enpro Private Limited, which was, until then, an importer of Audi cars into India. The company, together with its two wholly owned subsidiaries, Jubilant Performance Cars Private Limited (JPCPL) and Jubilant Auto Technologies Private Limited (JATPL), is referred to as the Jubilant Motorworks Group.

The Group has a sizeable presence in South and West India. It entered the Audi dealership business in 2009 in Bangalore. Thereafter, it opened/acquired Audi showrooms in Chennai, Mangalore, Pune, Mumbai, Nashik and Goa. The Group also opened MG dealerships in Bangalore and Mangalore in 2019 and 2020, respectively. New MG showrooms were opened in Pune and Delhi in FY2025.

JMPL also had dealerships for Ather (e-2Ws) in Karnataka, Altigreen (e-3Ws) in Maharashtra and Gujarat, and Nissan in Delhi and Bangalore. However, the Altigreen business was wound up in FY2024 due to underperformance. Further, the Ather business was wound up in FY2025, and the Nissan business is expected to be wound up by the end of FY2026, as these businesses have been incurring losses.

The company started MG Select showrooms in Bangalore and Gurugram in the current financial year. It also entered into a dealership agreement with Mahindra & Mahindra Limited in March 2025. Presently, the dealership is only for the Chennai location. However, the company will be adding the Bangalore and North Karnataka regions from the end of January 2026.

In FY2022, a restructuring exercise was undertaken, and the shareholding of JMPL (earlier held by Jubilant Consumer Private Limited (JCPL)) is now directly held by the Shyam Sunder Bhartia Family Trust and the Hari Shankar Bhartia Family Trust. Nonetheless, JCPL (the holding company of the Bhartia Group) continues to extend corporate guarantees to support JMPL and its subsidiaries.

Key financial indicators (audited):

Consolidated	FY2024	FY2025	9M FY2026*
Operating income	1,838.8	1,969.7	1,813.3
PAT	-32.8	-77.8	7.6
OPBDIT/OI	2.6%	1.8%	4.7%
PAT/OI	-1.8%	-3.9%	0.4%
Total outside liabilities/Tangible net worth (times)	122.8	-14.2	-21.0
Total debt/OPBDIT (times)	16.5	25.7	8.7
Interest coverage (times)	0.9	0.4	1.4

*Source: Company, ICRA Research; *Provisional; 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

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount Rated (Rs. crore)	Feb 11, 2026	Date	Rating	Date	Rating	Date	Rating
Long term-term loan-fund based	Long Term	58.30	[ICRA]A-(Stable)	Mar 27, 2025	[ICRA]BBB+(Negative)	-	-	-	-
Long term / short term-unallocated-unallocated	Long Tem/ Short Term	36.00	[ICRA]A-(Stable)/ [ICRA]A2+	Mar 27, 2025	[ICRA]BBB+(Negative)/ [ICRA]A2	-	-	-	-
Long term-cash credit-fund based	Long Term	119.30	[ICRA]A-(Stable)	Mar 27, 2025	[ICRA]BBB+(Negative)	Dec 07, 2023	[ICRA]A-(Stable)	Sep 08, 2022	[ICRA]A-(Stable)
				Dec 04, 2024	[ICRA]A-(Stable)	-	-	Sep 26, 2022	[ICRA]A-(Stable)
Short term-others-fund based	Short Term	438.90	[ICRA]A2+	Mar 27, 2025	[ICRA]A2	Dec 07, 2023	[ICRA]A2+	Sep 08, 2022	[ICRA]A2+
				Dec 04, 2024	[ICRA]A2+	-	-	Sep 26, 2022	[ICRA]A2+
Short term-bank guarantee-non fund based	Short Term	40.00	[ICRA]A2+	Mar 27, 2025	[ICRA]A2	Dec 07, 2023	[ICRA]A2+	Sep 08, 2022	[ICRA]A2+
				Dec 04, 2024	[ICRA]A2+	-	-	Sep 26, 2022	[ICRA]A2+
Unallocated limits	Short Term			-	-	-	-	Sep 08, 2022	[ICRA]A2+
				-	-	-	-	Sep 26, 2022	[ICRA]A2+
Overdraft limits	Short Term			-	-	-	-	Sep 08, 2022	[ICRA]A2+

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based limits (Cash Credit/ Overdraft Facility)	Simple
Short-term fund-based limits (Inventory funding)	Simple
Short-term non-fund-based limits (BG)	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 (Rs. crore)	Current Rating and Outlook
NA	**Long-term Fund-based Limits (Cash Credit/ Overdraft Limits)**	-	-	-	119.30	[ICRA]A- (Stable)
NA	**Short-term fund-based limits (Inventory funding)**	-	-	-	438.90	[ICRA]A2+
NA	**Short-term Non-fund-based limits (BG)**	-	-	-	40.00	[ICRA]A2+
NA	**Long-term fund-based Term loan**	Mar 2024	-	Mar 2029	58.30	[ICRA]A- (Stable)
NA	**Long-term / Short-term - Unallocated**	NA	NA	NA	36.00	[ICRA]A- (Stable)/ [ICRA]A2+

Source: Company

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis -

Company Name	Ownership as on March 31, 2025	Consolidation Approach
Jubilant Motorworks Private Limited	100.00% (rated entity)	Full Consolidation
Jubilant Performance Cars Private Limited	100.00%	Full Consolidation
Jubilant Auto Technologies Private Limited	100.00%	Full Consolidation

Source: Company

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