RATING RATIONALE

06 May 2026

Jammu Motors Private Limited

Brickwork Rating reaffirms and assigns the long-term ratings for bank loan facilities of Rs. 39.79 Crs of Jammu Motors Pvt. to BWR BBB-/Stable. Further, BWR withdraws the ratings of Long-term bank loan facilities of Rs 3.25 Crs.

Particulars

Facilities**	Previous Amount (Rs. Crs)	Present Amount (Rs. Crs)	Tenor	Previous Rating (26 March 2025)	Present Rating
Fund Based	2.65	**0.00**	Long Term	BWR BBB- /Stable removal from ISSUER NOT COOPERATING* category/Upgraded	**Withdrawal**
	0.00	**0.83**			**BWR BBB-(Stable) (Assignment)**
	0.00	**0.26**		-	
	19.80	**19.80**		-	**BWR BBB-(Stable) (Reaffirmation)**
	0.60	**0.00**		BWR BBB- /Stable removal from ISSUER NOT COOPERATING* category/Upgraded	**Withdrawal**
	0.00	**18.90**			**BWR BBB-(Stable) (Assignment)**
Total	23.05	**39.79**	**Rupees Thirty Nine Crores and Seventy Nine Lakhs Only**		

#Please refer to BWR website **www.brickworkratings.com** for the definition of the ratings
**Details of Bank Loan facilities, consolidation or instruments are provided in Annexure I

RATING ACTION / OUTLOOK

Brickwork Rating has reaffirmed the long-term ratings for bank loan facilities of Jammu Motors Pvt Ltd, aggregating 19.80 Crs to BWR BBB-/Stable, assign ratings of BWR BBB-/Stable for the bank loan facilities aggregating Rs 19.73 Crs Further, BWR withdraws the ratings of long-term bank loan facilities of Rs 3.25 Crs on account of non-availvement of these facilities and submission of the necessary documents for withdrawal. The rating reaffirmation reflects the company's long operational track record and the extensive experience of its directors, a moderate financial risk profile, the strong brand image of MSIL, and adequate liquidity. However, the ratings are constrained by the cyclical and competitive nature of the auto industry and limited bargaining power with the principal automobile manufacturer

For assigning the rating, BWR has relied upon the last 3 years of audited financials till FY25, FY26 Provisional, projected financials for FY25 & FY26, and publicly available information and clarification provided by management.

Rating Outlook: Stable

The outlook has been retained as stable, as BWR believes that the business risk profile of the company will be maintained over the medium term. The Stable outlook indicates a low likelihood of a rating change over the medium term.

KEY COVENANTS OF THE INSTRUMENT/FACILITY RATED

The key covenants are the standard terms as stipulated in the sanction letters of the rated facilities.

KEY RATING DRIVERS

Credit Strengths:

- **Long Operational Track Record and Extensive Experience of the Directors:** Being incorporated in 1996, the company has a long operational track record and market reputation in the Jammu region. All the directors of the company are qualified and have more than two decades of experience in the automobile dealership business. There is strong and professional management in place.
- **Moderate Financial Risk Profile**: The company has a moderate financial risk profile with revenues of Rs 347.80 crores in FY24 (Audited), which is improved to Rs. 352.72 Crores in FY25 (Audited) and to Rs357.34 Crs in FY 25(Prov) along with moderate net worth of Rs 27.48 crores in FY24 (Audited) which is further improved to Rs.31.87 crores in FY25 (Audited) and further to Rs 35.66 Crs in FY 26. DSCR is at a comfortable level of 2.87x in FY24, which is comfortable at 2.48 x in FY 25 and 2.24x in FY26.
- **Strong Brand Image of MSIL:** JMPL is an authorized dealer of Maruti Suzuki India Limited, one of **India's** oldest and fastest-growing automotive brands. With 15 **showrooms** and 7 service centers across Jammu & Kashmir, JMPL benefits from Maruti's strong brand value, allowing it to reach a wide customer base and cater to the high demand for its products.

Credit Risks:

- **Cyclical and competitive nature of the auto industry:** The automotive industry is influenced by economic growth, credit conditions, and consumer confidence. It is inherently vulnerable to economic cycles and highly sensitive to interest rates and fuel prices. Fuel price hikes directly affect the running costs of vehicles, reducing consumers' disposable income and influencing their purchasing decisions. Furthermore, the industry is highly competitive, with numerous auto brands such as MG Motors, Hyundai, KIA Motors, Mahindra & Mahindra, among others.

- **Limited bargaining power with the principal automobile manufacturer:** JMPL's business model is primarily centered around auto dealerships, which is largely a trading-based model with thin profit margins. Additionally, dealers have limited bargaining power with the principal manufacturer. The product margins are predetermined by the manufacturer, leaving little room for JMPL to generate additional income.

ANALYTICAL APPROACH - Standalone

For arriving at its ratings, BWR has considered the standalone financials of the company. BWR has applied its rating methodology as detailed in the Rating Criteria (hyperlinks provided at the end of this rationale).

RATING SENSITIVITIES

- **Positive:** The rating may be upgraded if there is a substantial improvement in net profitability margins by 1.6%, along with a significant and sustained increase in revenues, and if TNW exceeds Rs. 40.00 Cr.
- **Negative:** The rating may be downgraded if there is a deterioration in the financial risk profile, delays in debt servicing, a significant decline in revenue to Rs. 340.00 Cr, a drop in net margins below 1%, a weakening of liquidity ratios, and a decrease in the company's TNW below Rs. 25.00 C

LIQUIDITY INDICATORS - Adequate

The cash accruals are expected to be Rs 6.37 Crs in FY 27 against Repayment obligations of Rs 0.46 Crs in FY 27.In FY25 (Audited), the company maintained a cash and bank balance of Rs.18.78 Crores and it stood at Rs 1.98 crs in FY 26 (Provisional) The average utilization of the cash credit facility over the past 11 months stood at a moderate 71% and 52 % for OD facility Additionally, the current ratio stood at an adequate 1.40 times in FY 25 and, indicating a stable liquidity position and at 1.35 x in FY 26. The company's conversion cycle was recorded at 56 days in FY 25 (A) and at 40 days in FY 26(Provisional), demonstrating an efficient working capital cycle.

ABOUT THE ENTITY

Macro Economic Indicator	Sector	Industry	Basic Industry
Consumer Discretionary	Automobile and Auto Components	Automobiles	Auto Dealer

Jammu Motors Private Limited was incorporated in Feb 1997; Jammu Motors Pvt Ltd. is a private, closely held company, promoted by Mr. Sanjay Aggarwal, Director and majority shareholder with 51% holding. The company is an authorized dealer of passenger cars of Maruti Suzuki India Limited (MSIL) in Jammu. Currently, the company operates 15 showrooms and 7 service centers for Maruti Suzuki India Limited and plans to open 3–4 more.

ESG Profile: Evolving-. The company is not mandatorily required to incur any expenses on CSR activity. The Company is dealing with the sale of eco-friendly Electric/ Hybrid Vehicles.

KEY FINANCIAL INDICATORS (Standalone)

Key Parameters	Units	FY 2024	FY 2025	FY 2026
Result Type		**Audited**	**Audited**	**Provisional**
Operating Revenue	Rs.Crs	347.8	352.72	357.34
EBITDA	Rs.Crs	7.77	8.1	7.7
PAT	Rs.Crs	4.13	3.83	4.82
Adjusted PAT	Rs Crs	4.13	3.83	3.79
Tangible Net Worth	Rs.Crs	27.48	31.87	36.69
Tangible Net Worth (Adjusted)		27.48	31.87	35.66
Total Debt/ Tangible Net Worth	Times	1.41	1.54	0.64
Total Debt/ Tangible Net Worth (Adjusted)	Times	1.41	1.54	0.66
Current Ratio	Times	1.65	2.57	2.06
Current Ratio(Adjusted)	Times	1.17	1.40	1.29

***Note: Adjustments are related to the reclassification of long-term debt into short-term debt and provision for taxation in FY 26 Provisional**

NON-COOPERATION WITH PREVIOUS CREDIT RATING AGENCY: There are no instances of non-cooperation with any other CRAs.

Any Other Information: No other Information

RATING HISTORY FOR THE PREVIOUS THREE YEARS (including withdrawal and suspended)

Facilities	Current Rating (2025)			2025		2024		2023	
Type	Tenure	Amount Rs.Crs.)	Rating	Date	Rating	Date	Rating	Date	Rating
Fund Based	LT	0.00	Withdrawn	26 March 2025	BWR BBB-/Stable (removal from ISSUER NOT COOPERATING* category/Upgraded)	15Apr2024	BWR BB-Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	18Jan2023	BWR BBStable (ISSUER NOT COOPERATING* /Downgrade)
Fund Based	LT	19.80	BWR BBB-/Stable (Reafiirmation)	26 March 2025	BWR BBB-/Stable (removal from ISSUER NOT COOPERATING* category/Upgraded)	15Apr2024	BWR BB-Stable (Continues to be in ISSUER NOT COOPERATING* category/Downgraded)	18Jan2023	BWR BBStable (ISSUER NOT COOPERATING* /Downgrade)
Fund Based	LT	1.09	BWR BBB- (Assignment)						
Grand Total		39.79	(Rupees Thirty Nine Crores and Seventy Nine Lakhs Only						

Hyperlink/Reference to Applicable Criteria

- [General Criteria]
- [Approach to Financial Ratios]
- [Trading Companies]
- [Withdrawal]

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ANNEXURE I

Details of Bank Facilities rated by BWR

Name of the Bank	Facilities	Tenure	Amount (in ₹ Cr.)	Complexity
Indian Bank	Term Loan	Long Term	0.83	Simple
	O D under Dealer Finance under SCF	Long Term	18.90	Simple
Jammu and Kashmir Bank	Cash Credit	Long Term	19.80	Simple
Mahindra & Mahindra Financial Services Limited	Term Loan	Long Term	0.26	Simple
TOTAL (Rupees Thirty Nine Crores and Seventy Nine Lakhs Only)			**39.79**	

www.brickworkratings.com/download/ComplexityLevels.pdf

ANNEXURE II

INSTRUMENT (NCD/Bonds/CP/FDs) DETAILS: Not Applicable

ANNEXURE III

List of entities consolidated : Not Applicable

ANNEXURE 1V

List of instruments and regulators

As required by SEBI CRA Circular dated Feb 10, 2026, a list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below
:

Instrument/Activity	Regulator
Listed/Proposed to be listed bonds/debentures/preference share (all securities)	SEBI
Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) [1]	SEBI
Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI)-[1]	SEBI
Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI)-[1]	RBI
Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/FIs -[2]	RBI
External Commercial Borrowings and other similar borrowings	RBI
Certificates of Deposit	RBI
Fixed Deposits raised by NBFC's, Banks, HFCs, Fis	RBI
Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, Fis	MCA
Inter Corporate Deposits/Loans extended by Corporates	MCA
Borrowing programme - [3]	-
Issuer Ratings [4]	-
Credit Ratings for Capital Protection Oriented Schemes (by Mutual Funds and AIFs)	SEBI
Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
Listed Security Receipts	SEBI
Unlisted Security Receipts	RBI
Independent Credit Evaluation (ICE)	RBI
Expected Loss Ratings (for Loan Facilities (Fund/Non-Fund Based) from Bank/NBFCs/NHB/Fis)	RBI
Expected Loss Ratings (Listed/Proposed to be listed bonds/debentures/preference share (all securities))	SEBI
Expected Loss Ratings (Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities))	~~MCA~~
Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) -[1]	Investor-side Regulator such as IRDAI, PFRDA[5]
Monitoring Agency	SEBI
Research activities, incidental to rating, such as research for Economy, Industries and Companies [6]	NA

- 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.
- 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 may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In PRs subsequent to issuance(s), BWR shall separately capture the rated quantum details along with names of respective regulators.
- There is no instrument being rated and hence, Regulator of the Instrument is not applicable.
- These ratings were assigned during regulatory regime prior to the introduction of SEBI CRA Circular dated Feb 10, 2026, and accordingly, investor side regulators have been included.
- Permitted by SEBI vide SEBI Master Circular for CRAs

Grievance Management: For any grievances relating to rating of instruments regulated by SEBI, please contact **sebigrievance@brickworkratings.com**. Kindly note that for activities or instruments falling under the purview of FSRs other than SEBI, the grievance/dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available

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