

Meenakshi Traders

September 02, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	16.00	CARE BB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The ratings assigned to bank facilities of Meenakshi Traders (MT) continue to be constrained by modest scale of operations, low operating margins due to trading nature of business, low net worth base, working capital intensive nature of operations. However, the ratings draw strength from the promoter's vast experience in the auto spare parts distribution industry, and the firm's established relationship with its suppliers.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Consistently growing scale of operations above ₹300 crore
- Stably improving operating margins above 5%
- Improving total operating liabilities to total net worth (TOL/TNW) below 1.5x

Negative factors

- Capital withdrawals leading to deteriorating overall gearing beyond 5x
- Declining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins below 3%

Analytical approach: Standalone

Outlook: Stable

CARE Ratings Limited (CareEdge Ratings) believes that MTs operations will be stable benefitting from vast experience of promoters and its established association with its supplier base.

Detailed description of the key rating drivers

Key weaknesses

Modest scale of operations

MT is into trading and distribution of two-wheeler (2W) and three-wheeler (3W) auto spare parts. The firm operates 19 different outlets spread across Kerala. Despite being operational for more than three decades, the scale of operations as defined by total operating income (TOI) stood moderate at ₹176.33 crore in FY25 (PY: ₹164.45 crore). However, TOI grew at a compounded annual growth rate (CAGR) of 13% in the last five years driven by the healthy growth in aftermarket sales of automotive components. Due to the trading nature of operations, the firm's profitability margins remained low in the range of 3.5-4.5% over the years. The PBILDT margin improved marginally to 4.51% in FY25 (PY: 4.29%).

Low net worth base

The firm's net worth base stood low at ₹9.12 crore as on March 31, 2025 primarily due to frequent capital withdrawals in the past, which kept the capital structure leveraged as indicated by overall gearing of 3.92x as on March 31, 2025. Debt coverage indicators stood satisfactory with total debt to gross cash accruals (TD/GCA) at 8.72x and interest coverage at 2.72x as on March 31, 2025.

Working capital intensive operations

The firm's operations are working capital intensive as reflected in the working capital cycle of 66 days in FY25. Firm gives a credit period of around 40-45 days to its customers and keeps an average inventory of about 25-30 days. MT does not receive credit period from its OEM suppliers and instead funds it through the respective channel financing limits. Average working capital utilisation stood high in excess of 90% for 12-months ended June 2025.

Key strengths

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Extensive experience of promoter

The promoter Peyoush Kumar Gupta has over 40 years of experience in the auto spare parts distribution business and has been managing Meenakshi for the past 35 years. He oversees the firm's day-to-day and is supported by experienced professionals, who look after different divisions and functional areas. The entity was established in 1987 and is supplying spare parts of some of the established brands such as TVS, Bajaj, Yamaha and Piaggio.

Long-standing relationship with reputed suppliers

The promoter's vast experience in the auto spares trading business has enabled the firm to forge good relationships with some of the top 2W and 3W OEMs including TVS, Bajaj, Yamaha and Piaggio. MT caters to a wide range of spare part customers in Kerala and Tamil Nadu. It has 14 branches in Kerala in Kochi, Trivandrum, Calicut, and Kannur. The firm has an extensive network of 2700 sub dealers and customers as of date. The customer base remained diversified with top five customers driving 5.67% of their total sales.

Liquidity: Stretched

Liquidity of the firm is stretched with high utilisation of its working capital limit which stood at ~96% in 12- months ended June 2025. The firm had a modest cash and bank balance of ₹0.31 crore as on March 31, 2025. Expected gross cash accruals of ₹4-5 crore in FY26 are sufficient to cover the repayment obligations.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Wholesale Trading](#)

About the entity and industry

Industry classification

Macro-economic Indicator	Sector	Industry	Basic Industry
Services	Services	Commercial Services & Supplies	Trading & Distributors

Meenakshi Traders (MT) was established in 1987 in Kerala as a sole proprietorship firm by Peyoush Kumar Gupta and is engaged in trading and distribution of 2W and 3W spare parts. The firm currently operates 19 outlets in major cities including Kozhikode, Thiruvananthapuram, Kochi and Kannur. The portfolio includes products from major OEMs including Bajaj, Yamaha, TVS, and Piaggio among others. MT has an extensive network of more than 2700 sub dealers in Kerala. The firm's day-to-day operations are managed by the proprietor Peyoush Kumar Gupta and his team of managers. Apart from MT, the promoter and his family are also involved in distribution of auto spares of other companies such as Studds, Honda, Royal Enfield, Tata Motors, Bosch, and Mahindra.

Particular	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	153.82	164.45	176.33
PBILDT	6.15	7.06	7.96
PAT	3.74	3.80	4.47
Overall gearing (times)	4.29	3.54	3.93
Interest coverage (times)	3.25	2.56	2.72

A: Audited UA: Unaudited ; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	16.00	CARE BB+; Stable

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-Cash Credit	LT	16.00	CARE BB+; Stable	-	1)CARE BB+; Stable (30-Jul-24)	1)CARE BB+; Stable (12-Jun-23)	-

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here
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Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:

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