

Brajesh Automobiles Private Limited

March 02, 2026

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long-term bank facilities	100.00	CARE BB; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; Stable and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) has been seeking information from Brajesh Automobiles Private Limited (BAPL) to monitor the rating vide email communications dated February 11, 2026, February 09, 2026, February 05, 2026, and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating. In line with the extant Securities and Exchange Board of India (SEBI) guidelines, CareEdge Ratings has reviewed the rating based on the best available information, which however, in CareEdge Ratings' opinion is not sufficient to arrive at a fair rating. BAPL has not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. The rating on BAPL's bank facilities will now be denoted as **CARE BB; Stable; ISSUER NOT COOPERATING***.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

The rating assigned to bank facilities of Brajesh Automobiles Private Limited (BAPL) factors in increase in the company's scale of operations in FY24 (refers to April 01 to March 31) and 9MFY25 attributable to higher demand in utility vehicles and three wheelers, new model launches by the principal and promotional strategies adopted by the company. However, the rating is primarily constrained by low net worth base, restricted bargaining power and fortunes linked with growth plans of original equipment manufacturer (OEM), Mahindra & Mahindra (M&M), limited geographical presence, inherently competitive and cyclical auto industry and moderate capital structure and debt protection metrics. These weaknesses are partially offset by the company's established track record and extensive experience of promoters, long standing relationships with OEM and satisfactory operating cycle despite increasing debtors leading to negative cash flow from operations.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on March 03, 2025, the following were the rating weaknesses and strengths:

Key weaknesses

Restricted bargaining power and fortunes linked with OEMs' growth plans

BAPL's profitability is low because of the inherent nature associated in dealership operations. The company has limited negotiating power with the principal and has no control over selling price of vehicles, which is fixed by M&M. Therefore, BAPL's performance is linked to the performance and fortunes of its principal. PBILDT margin remained low over the last three years and remained between 2% and 3.40% primarily due to intense competition. The company's financial risk profile has a high degree of correlation with the performance of OEM's vehicles in the market and their ability to launch new products. However, given the OEM is one of the market leaders in passenger vehicles (PV) segment and light and commercial vehicle (LCV), the off-take risk is moderated to some extent.

The PBILDT margins are expected to sustain at similar levels in the near-to-mid-term.

Limited geographical presence

The company's scale of operations remained moderate over the years due to its limited geographical presence as it has dealership with the OEM for passenger vehicles in tier-II and tier-III cities of Bihar only. As a result of small scale of operations, the company does not benefit from economies of scale and in financial stress, which may impact its business compared to other companies in the same field, having showrooms across regions.

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Inherent competition and cyclical auto industry

The company remains exposed to competition from products of other OEM's and dealers operating in the same region. To capture market share, auto dealers offer better buying terms such as discounts on purchases. However, such discounts create margin pressure and negatively impact the company's earning capacity. The company's association with its customers, and its established network helps sustain competition to an extent and maintain its strong market position in the region. The auto industry is inherently vulnerable to economic cycles and is highly sensitive to interest rates and fuel prices. Thus, the company faces significant risks associated with cyclical auto industry.

Moderate capital structure and debt protection metrics

The company's capital structure moderated with overall gearing standing at 1.45x as on March 31, 2024, against 1.12x as on March 31, 2023. The moderation is considering increase in total debt (TD) levels from ₹42.58 crore in FY23 to ₹64.20 crore in FY24 attributed to increase in working capital utilisation to support enhanced scale of operations. However, the debt protection matrices improved marked by TD to gross cash accruals (TD/GCA) at 8.12x in FY24 (10.95x in FY23). The company's interest coverage improved from 2.86x in FY23 to 4.12x in FY24. With anticipated healthy accruals in the coming years, the company's financial risk profile is expected to improve in the medium term.

Low net worth base

Although the net worth base improved over the last few years due to accretion of profit to reserves and stood at ₹44.25 crore as on March 31, 2024, it continues to remain low.

Key strengths**Consistent in scale of operations in FY24 and 9MFY25**

The company's total operating income (TOI) grew substantially by ~33% to ₹443.35 crore in FY24 against ₹333.42 crore in FY23 mainly due to higher demand in utility vehicles and three wheelers, new model launches by the principal and promotional strategies adopted by the company. The revenue from passenger vehicles has seen increase of ~45% from ₹150.92 crore in FY23 to ₹218.47 crore in FY24 indicating strong demand and successful new model launches. The company has achieved sales of ₹356.07 crore in 9MFY25. The company's scale of operations are expected to improve in the mid term, given the favourable demand scenario for PVs in which the principal M&M commands a healthy market share.

Established track record and extensive experience of promoters

BAPL is engaged in automobile dealership business of M&M, since 1987. Over the years, BAPL increased its presence in Bihar. It operates service stations, sells spare parts, and has tie-ups for vehicle finance and insurance. This allows it to provide a comprehensive range of services to its customer at a single point.

Long-standing relationships with OEM

BAPL has a long-standing association with its OEM since 1986, as it has authorised dealership of M&M, which is an Indian automobile manufacturer. As of December 2024, M&M has a market share of 12.18% in the Indian passenger car market (per data released by the Federation of Automobile Dealers Associations).

Satisfactory operating cycle despite increasing debtors

The company's operating cycle continued to remain satisfactory and stood at 63 days as on March 31, 2024, however, improved from 66 days as on March 31, 2023. The sales are either done on "Cash and Carry basis" or through vehicle financing from banks/ financial institutions and processing vehicle loans takes marginal time. This leads to an average collection period of ~30-45 days. Of the total debtors of ₹45 crore as on March 31, 2024 (PY: ₹34 crore), ₹14 crore has been outstanding for over six months. Per the management, the company has realised ~₹7-8 crore of such long standing debtors till December 2024. Inventory management is crucial for BAPL, as it is required to stock different models of vehicles and spares in showrooms to ensure adequate availability and visibility, leading to moderate levels of inventory. The company generally maintains the inventory of ~25-30 days. The company's operating cycle is expected to remain range bound in the ensuing years.

Applicable criteria

[Definition of Default](#)

[Information Adequacy Risk and Issuer Non-Cooperation](#)

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Auto Dealer](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Consumer discretionary	Automobile and auto components	Automobiles	Auto dealer

Incorporated in 1986, BAPL is promoted by Ramesh Chandra Mishra (Managing director) and Brajesh Mishra (executive director and son of Ramesh Chandra Mishra). BAPL has been an authorised dealer and service centre operator for M&M (rated 'CARE AAA; Stable/ CARE A1+') for passenger cars and three wheelers in Purnea (Bihar) since 1986. The company also provides services and spare parts. The company operates nine showrooms/workshops in Purnea, Katihar, Kishanganj, Saharsa, Madhepura, Supaul, and Araria. Currently, day-to-day operations are overseen by Ramesh Chandra Mishra, supported by a team of experienced professionals.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	9MFY25 (UA)
Total operating income	333.42	443.35	355.77
PBILDT*	6.94	13.56	11.76
Profit after tax (PAT)	2.50	6.38	NA
Overall gearing (x)	1.12	1.45	NA
Interest coverage (x)	2.86	4.12	NA

A: Audited UA: Unaudited; NA: Not Available; Note: these are latest available financial results

*PBILDT: Profit before interest, lease rentals, depreciation, and tax

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-Vendor financing		-	-	-	50.50	CARE BB; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Working Capital Limits		-	-	-	49.50	CARE BB; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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-Working Capital Limits	LT	49.50	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (03-Mar-25)	1)CARE BB+; Stable (27-Mar-24) 2)CARE B; Stable; ISSUER NOT COOPERATING* (23-Nov-23)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (14-Oct-22)
2	Non-fund-based - LT-Bank Guarantee	LT	-	-	-	1)Withdrawn (03-Mar-25)	1)CARE BB+; Stable (27-Mar-24)	-
3	Fund-based - LT-Vendor financing	LT	50.50	CARE BB; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB+; Stable (03-Mar-25)	1)CARE BB+; Stable (27-Mar-24)	-

*Issuer did not cooperate; based on best available information.

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instrument/facilities- Not applicable

Annexure 4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Vendor financing	Simple
2	Fund-based - LT-Working Capital Limits	Simple

Annexure 5: Lender details

To view lender-wise details of bank facilities please [click here](#)

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.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Arindam Saha Director CARE Ratings Limited Phone: +91-033- 40181631 E-mail: arindam.saha@careedge.in</p> <p>Abhishek Khemka Associate Director CARE Ratings Limited Phone: 91-033- 40181647 E-mail: abhishek.khemka@careedge.in</p> <p>Shivangi Sharma Assistant Director CARE Ratings Limited E-mail: shivangi.sharma@careedge.in</p>
--	--

About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: www.careratings.com

Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to https://www.careratings.com/privacy_policy

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,
please visit www.careratings.com**