Meenakshi Traders

August 21, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long Term Bank Facilities	RBI	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 moderate cale of operations, thin profitability margins due to trading nature of business, low net worth base and 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 outside 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 MT's operations will be stable benefitting from vast experience of promoters and its established association with its supplier base.

Detailed description of key rating drivers

Key weaknesses

Moderate scale of operations

MT is into trading and distribution of two-wheeler (2W) and three-wheeler (3W) auto spare parts. Despite being operational for more than three decades, the scale of operations as defined by total operating income (TOI) stood moderate at ₹211.93 crore in FY26 (PY: ₹176.96 crore). However, TOI grew at a compounded annual growth rate (CAGR) of 12% 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 stood at 4.02% in FY26 (PY: 4.47%).

Low net worth base

The firm's net worth base stood low at ₹12.06 crore as on March 31, 2026 primarily due to frequent capital withdrawals in the past, which kept the capital structure leveraged as indicated by overall gearing of 3.16x as on March 31, 2026. Debt coverage indicators stood satisfactory with total debt to gross cash accruals (TD/GCA) at 5.81x and interest coverage at 2.84x as on March 31, 2026.

Working capital intensive operations

The firm's operations are working capital intensive as reflected in the working capital cycle of 59 days in FY26. 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 maximum working capital utilisation stood high in excess of 98% for 12-months ended April 2026.

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[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Key strengths

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 Kerela and Tamil Nadu. It has 14 branches in Kerela 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 6.45% of their total sales in FY26

Liquidity: Stretched

Liquidity of the firm is stretched with high utilisation of its working capital limit which stood at ~98% in 12- months ended April 2026. The firm had a modest cash and bank balance of ₹0.15 crore as on March 31, 2026. Expected gross cash accruals of ₹4-5 crore in FY27 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 company 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 promotor 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.

Brief financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	164.45	179.96	211.93
PBILDT*	7.06	8.04	8.51
PAT	3.80	4.84	5.54
Overall gearing (times)	3.54	3.80	3.16
Interest coverage (times)	2.56	2.72	2.84

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:

A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:
https://www.careratings.com/activities_and_regulators
Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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	RBI	Simple	-		-	-	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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	16.00	CARE BB+; Stable	-	1)CARE BB+; Stable (02-Sep-25)	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: 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.

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About us:

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