

November 30, 2020

Atul Motors Private Limited: Rating Continues to remain under the issuer not cooperating category and rating downgraded based on best available information

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term- Loan	8.94	8.94	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain in the 'Issuer Not Cooperating' category
Long Term Fund Based Cash Credit	18.00	18.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable) and continues to remain under the 'Issuer Not Cooperating' category
Long-term / Short-term, fund based Inventory funding	100.00	100.00	[ICRA]B+(Stable) /A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable)/ [ICRA]A4+ and continues to remain under the 'Issuer Not Cooperating' category
Long-term / Short-term Unallocated	1.16	1.16	[ICRA]B+(Stable) /A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+(Stable)/ [ICRA]A4+ and continues to remain under the 'Issuer Not Cooperating' category
Short-term, Non-fund based	16.00	16.00	[ICRA]A4 ISSUER NOT COOPERATING; Rating downgraded from [ICRA]A4+ and continues to remain under the 'Issuer Not Cooperating' category
Total	144.10	144.10	

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

[^]Instrument details are provided in Annexure-1

Rationale

The ratings downgrade is because of lack of adequate information regarding Atul Motors Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Atul Motors Private Limited, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

About the company:

Atul Motors Private Limited (AMPL) is a leading company of the Chandra family run Rajkot (Gujarat) based Atul Group of companies. The company was established in 1999 and is an authorised passenger cars (PV) dealer, spares distributor and service provider for MSIL. The company has eight showrooms (Rajkot - 2, Ahmedabad – 2, Jamnagar - 2, Amreli and Porbandar) and 13 sales outlets and 19 service centers across Rajkot, Jamnagar and Ahmedabad region of Gujarat. In FY2017, the company has also taken up MSIL's dealership for the Commercial Vehicle (CV) channel by setting up an exclusive showroom in Rajkot. Besides its car dealership business, the company is also engaged in servicing of vehicles and selling of Maruti Genuine spare parts (MGP) and Maruti Genuine Accessories (MGA). Additionally, the company also provides car finance and car insurance facilities through its reputed channel partners (leading banks and insurance companies). The company belongs to the Atul Group of companies having strong presence in Saurashtra region of Gujarat and operating across three-wheeler manufacturing, auto dealerships (MSIL, Honda, Eicher, M&M), auto-parts dealerships and auto financing businesses.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key financial indicators:

Not applicable

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)			Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					30-Nov-2020	30-Aug-2019	25-Jun-2018	07-Apr-2017
1	Term Loan	Long Term	8.94	-	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]BB+(Stable) ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2	Cash Credit	Long Term	18.00	-	[ICRA]B+(Stable) ISSUER NOT COOPERATING	[ICRA]BB+(Stable) ISSUER NOT COOPERATING	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
3	Inventory funding	Long/Short Term	100.00	-	[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB+(Stable)/A4+ ISSUER NOT COOPERATING	[ICRA]BBB(Stable)/[ICRA]A2	[ICRA]BBB (Stable)/[ICRA]A2
4	Unallocated	Long/Short Term	1.16	-	[ICRA]B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]BB+(Stable)/A4+ ISSUER NOT COOPERATING	[ICRA]BBB(Stable)/[ICRA]A2	-
5	Non-fund based	Short Term	16.00		[ICRA] A4 ISSUER NOT COOPERATING	[ICRA] A4+ ISSUER NOT COOPERATING	[ICRA]A2	[ICRA]A2

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	8.94	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	18.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING
NA	Inventory funding	-	-	-	100.00	[ICRA]B+(Stable) /[ICRA]A4; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	1.16	[ICRA]B+(Stable) /[ICRA]A4; ISSUER NOT COOPERATING
NA	Non-fund based	-	-	-	16.00	[ICRA] A4 ISSUER NOT COOPERATING

Source: Atul Motors Private Limited

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