

RATING RATIONALE

14 Sep2020

AJSG Motors Pvt Ltd

Brickwork Ratings downgrades the ratings for the Bank Loan Facilities of ₹5.22 crs of AJSG Motors Pvt Ltd based on best available information, as Issuer did not Cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (June'19)	Present
Fund based	5.22	5.22	Long Term	BWR B+ Stable	BWR B- Stable Downgrade Issuer did not cooperate*
Total	5.22	5.22	INR Five crores and twenty two lakhs only.		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* based on best available information.

Complete Details of Bank facilities is provided in Annexure-I

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

BWR downgrades the long term rating to BWR B- Stable “Issuer did not cooperate” for Rs. 5.22 crs of AJSG Motors Pvt Ltd based on best available information, as Issuer did not cooperate.

The initial rating was done on 25th April 2018 with rating assigned BWR B+ Stable. The long term rating was reaffirmed on 7th June 2019. The rating was due for review in June 2020 and was moved to the Rating Not Reviewed category on 8th June 2020. BWR approached the issuer/bank by sending emails/ on telephone, but the issuer did not submit the information. The banker advised that the rating is not required as he has moved to some other credit rating agency. Despite the best efforts of BWR to get at least the minimum required information for a review, entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the company’s financial performance and its ability to service its debt and maintain a valid rating. Besides, no request for withdrawal along with NOC from the lender is submitted.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress. Users of the credit ratings should therefore take into account the possible deterioration in the credit quality of the rated entity arising from its non-transparency and withholding of information required for a review of the rating.

COMPANY PROFILE [As available with BWR]

AJSG Motors Pvt. Ltd. was incorporated as a private limited company on 22.01.2018. The Company has got the authorised dealership contract from BharatBenz to sell its trucks. In addition to that, it will also sell spares & accessories and provide workshop services for this brand of vehicles. Currently the company has 2 fully functional showrooms and service centres situated at Bareilly and Najeebabad, another showroom and service centre is under process in Moradabad. Also, the company is planning to open two more outlets in the current financial year.

KEY FINANCIAL INDICATORS [As available with BWR]

Key Parameters	Units	9 months FY19	FY18
Result Type		Provisionals	Audited
Net Sales/Revenue	Rs in Crs	18.44	0.00
EBITDA	Rs in Crs	0.32	0.00
PAT	Rs in Crs	0.14	-0.01
Tangible Net Worth	Rs in Crs	1.12	0.96
Total Debt/Net Worth	Times	8.52	5.65
Current ratio	Times	2.00	1.18

***NON-COOPERATION WITH PREVIOUS RATING AGENCY IF ANY:** Nil

RATING HISTORY (for three years including withdrawal and suspension)

Facilities	Current Rating (2020)			Rating History		
	Amount (₹ Cr)	Tenure (Long Term/ Short Term)	Rating	2019	2018	2017
Fund Based	5.22	Long Term	BWR B- Stable Downgrade Issuer did not cooperate*	BWR B+ Stable	BWR B+ Stable	-
Total	5.22	INR Five crores and twenty two lakhs only.				

***Based on best available information**

Any other information

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

General Criteria

Approach to Financial Ratios

What Constitutes Non-Cooperation

For any other criteria obtain hyperlinks from website:

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ANNEXURE I

[AJSG Motors Pvt Ltd] Details of Bank Facilities rated by BWR

Sl.No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Short Term [₹ Cr]	Total [₹ Cr]
1.	Bank of Baroda	Cash Credit	5.00	-	5.00
2.		Term Loan	0.22	-	0.22
Total			5.22	-	5.22

INR Five crores and twenty two lakhs only



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About Brickwork Ratings : Brickwork Ratings (BWR), a Securities and Exchange Board of India [SEBI] registered Credit Rating Agency and accredited by Reserve Bank of India [RBI], offers credit ratings of Bank Loan, Non-convertible / convertible / partially convertible debentures and other capital market instruments and bonds, Commercial Paper, perpetual bonds, asset-backed and mortgage-backed securities, partial guarantees and other structured / credit enhanced debt instruments, Security Receipts, Securitisation Products, Municipal Bonds, etc. BWR has rated over 11,400 medium and large corporates and financial institutions' instruments. BWR has also rated NGOs, Educational Institutions, Hospitals, Real Estate Developers, Urban Local Bodies and Municipal Corporations. BWR has Canara Bank, a leading public sector bank, as one of the promoters and strategic partners. BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations.

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