

RATING RATIONALE

30 Mar 2020

AKC Auto Pvt. Ltd.

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹17.85 Crores of AKC Auto Pvt. Ltd. based on best available information, as the issuer did not cooperate.

Particulars

Facility	Amount (₹ Cr)		Tenure	Rating#	
	Previous	Present		Previous (Jan 2017)	Present
Fund Based	17.85	17.85	Long Term	BWR B+/Stable	BWR C+ (Downgraded) Issuer Not Cooperating*
Total	17.85	17.85	INR Seventeen Crores and Eighty Five Lakhs Only		

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

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

RATING ACTION / OUTLOOK / NATURE OF NON-COOPERATION

In view of the non-availability of the information, non-submission of monthly statement as per regulatory requirements and lack of management cooperation, Brickwork Ratings has downgraded the long term rating from 'BWR B+/Stable' to 'BWR C+ Issuer Not Cooperating' for the bank loan facilities amounting to ₹17.85 Cr of AKC Auto Pvt Ltd.

The lenders may note to exercise due caution while using the above ratings, which mentions "Issuer Not Cooperating" since the ratings lack any projections of a forward looking component as it is arrived based on the best available information on the Company without any management/ banker's interaction.

The rating was due for a review in Jan 2018. BWR took up with the issuer to provide required information over emails and through telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the entity has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating.

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.

KEY FINANCIAL INDICATORS (in ₹ Cr) [AS AVAILABLE WITH BWR]

Key Parameters	Units	FY15
Result Type		Audited
Total Operating Income	₹ Cr	57.95
Operating Profit	₹ Cr	2.34
Net Profit	₹ Cr	-0.45
Tangible Networth	₹ Cr	0.60
Total Debt: Tangible Networth	Times	26.61
Current Ratio	Times	1.02

COMPANY PROFILE

AKC Auto Pvt. Ltd, incorporated in 2006, is a multi-franchisee automobile dealer. Its registered office is located at Shahjahanpur, Uttar Pradesh along with its branch offices at Bareilly, Moradabad and Lakhimpur, all located in Uttar Pradesh. The Company is an authorized dealer of Hyundai Motor India Limited for passenger vehicles, Bajaj Auto Limited for commercial vehicles and Escorts Limited for tractors. The directors of AKC Auto Pvt. Ltd are Shri Ashok Agarwal, Smt. Sadhna Agarwal, Shri Alpit Agarwal and Shri Shivam Agarwal.

NON-COOPERATION WITH PREVIOUS RATING AGENCY: NA

RATING HISTORY

Facilities	Current Rating (2020)			Rating History		
	Tenure	Amount (₹ Cr)	Rating	2019	2018	05.01.2017
Fund Based	Long Term	17.85	BWR C+ (Downgraded) Issuer Not Cooperating	Not Rated	Not Rated	BWR B+/Stable
Total		17.85`	INR Seventeen Crores and Eighty Five Lakhs Only			

The Company was moved under 'Rating not Reviewed' in Aug 2018

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](#)

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AKC Auto Pvt Ltd ANNEXURE I

Details of Bank Facilities rated by BWR

Name of the Bank	Type of Facilities	Long Term (₹ Cr)	Short Term (₹ Cr)	Total (₹ Cr)
State Bank Of India	E-DFS	12.50	-	12.50
	ABL (WC)	0.70	-	0.70
	ABL (Term Loan)	4.65	-	4.65
Total				17.85

**For print and digital media**

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DISCLAIMER

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