

Dunac Motors Private Limited

February 03, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	15.00	CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable)
Total Bank Facilities	15.00 (Rs. Fifteen Crore Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 28, 2021, placed the rating(s) of Dunac Motors Private Limited (DMPL) under the 'issuer non-cooperating' category as DMPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. DMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails dated December 14, 2021, December 24, 2021, January 03, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

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

The ratings assigned to the bank facilities of DMPL have been revised on account of non-availability of requisite information. The rating also considers the decline in scale of operations as well as overall profitability in FY20.

Detailed description of the key rating drivers

Please refer to PR dated [January 28, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

Bikaner-based Dunac Motors Private Limited (DMPL) was incorporated in 2004 by Mr Jagdish Dudi with an objective to commence automobile dealership business. Since inception, the company is an authorized dealer of Tata Motors Limited (TML) for heavy commercial vehicles. The company currently operates a sales, service and spare (3s) outlet at Bikaner and Nagaur. The overall management of DMPL is looked after by Mr Jagdish Dudi (Managing Director) who has an experience of around two decades in the automobile dealership business. Mr Jagdish Dudi is ably supported by his wife Mrs Kamlesh Dudi who has experience of around five years in automobile dealership business.

Brief financials of DMPL:

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	9MFY22 (Prov.)
Total operating income	178.73	NA	NA
PBILDT	2.37	NA	NA
PAT	0.33	NA	NA
Overall gearing (times)*	1.14	NA	NA
Interest coverage (times)	0.68	NA	NA

A: Audited, Prov.: Provisional, NA: Not available

* Unsecured loans from directors of Rs.5.87 crore for have been considered as quasi capital as the same are sub-ordinate to bank borrowings.

¹Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE publications

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: Brickwork has continued the rating assigned to the bank facilities of DMPL into ISSUER NOT COOPERATING category vide press release dated February 24, 2021 on account of its inability to carry out a review in the absence of requisite information.

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Please refer Annexure-3

Complexity level of various instruments rated for this company: Please refer Annexure-4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	15.00	CARE B; Stable; ISSUER NOT COOPERATING*

**Issuer did not cooperate; Based on best available information*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Cash Credit	LT	15.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (28-Jan-21)	1)CARE BB-; Stable (23-Mar-20)	1)CARE BB-; Stable (12-Mar-19)

**Issuer did not cooperate; Based on best available information*

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

Annexure-4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple

Annexure-5: Bank Lender Details for this Company

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

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. This classification is available at www.careedge.in. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

Contact us

Media Contact

Mr. Mradul Mishra

Contact no. - +91-22-6754 3596

Email ID - mradul.mishra@careedge.in

Analyst Contact

Shachee Nakul Vyas

Contact no. - 8511182592

Email ID - shachee.tripathi@careedge.in

Relationship Contact

Deepak Purshottambhai Prajapati

Contact no. - 9099028864

Email ID - deepak.prajapati@careedge.in

About CARE Ratings Limited:

Established in 1993, CARE Ratings Ltd. is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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