

Gem Motors India Private Limited

September 07, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	19.78	CARE B-; Stable; ISSUER NOT COOPERATING* (Single B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	5.00	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	24.78 (Rs. Twenty-Four Crore and Seventy-Eight Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated July 16, 2021, placed the rating(s) of Gem Motors India Private Limited (GMIPL) under the 'issuer non-cooperating' category as GMIPL 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. GMIPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 01, 2022, June 11, 2022, June 21, 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).

Detailed description of the key rating drivers

Please refer to PR dated [July 16, 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

Gem Motors India Private Limited (GMIPL) was incorporated in the year 2007 by Mr. Raju Yadav Erragudla and family. GMIPL is an authorised dealer of Maruti Suzuki India Limited (MSIL) for vehicles and spare parts. It has five operational showrooms and six workshops in Telangana. The company purchase the vehicles and spare parts directly from MSIL's manufacturing units in Gurugram, Haryana. The registered office is located in Kondapur, Telangana.

Brief Financials (Rs. crore)	FY20 (A)	FY21(A)	FY22(Prov.)	Q1FY23(Prov.)
Total operating income	179.88	NA	NA	NA
PBILDT	11.23	NA	NA	NA
PAT	1.94	NA	NA	NA
Overall gearing (times)	4.35	NA	NA	NA
Interest coverage (times)	1.59	NA	NA	NA

A: Audited; Prov: Provisional; NA: Not Available;

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Status of non-cooperation with previous CRA: India Ratings continued the ratings assigned to the bank facilities of GMIPL to the 'issuer not-cooperating' category vide press release dated June 03, 2022 on account its inability to carryout review in the absence of best available information from the company.

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Annexure 3

Complexity level of various instruments rated for this company: 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-Term Loan		-	-	Aug 2020	1.26	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	Apr 2023	0.52	CARE B-; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	18.00	CARE B-; Stable; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bank Guarantee		-	-	-	5.00	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument / Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	1.26	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jul-21)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (11-May-20)	-
2	Fund-based - LT-Term Loan	LT	0.52	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jul-21)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (11-May-20)	-
3	Fund-based - LT-Cash Credit	LT	18.00	CARE B-; Stable; ISSUER NOT COOPERATING*	-	1)CARE B-; Stable; ISSUER NOT COOPERATING* (16-Jul-21)	1)CARE B-; Stable; ISSUER NOT COOPERATING* (11-May-20)	-
4	Non-fund-based - ST-Bank Guarantee	ST	5.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (16-Jul-21)	1)CARE A4; ISSUER NOT COOPERATING* (11-May-20)	-

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/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
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-Bank Guarantee	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 has classified instruments rated by it on the basis of complexity. 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.: +91-22-6837 4424

Email ID – mradul.mishra@careedge.in

Analyst Contact

Ms. Shachee Vyas

Contact No.: +91-79-4026 5665

Email ID – shachee.tripathi@careedge.in

Relationship contact

Name: Ramesh Bob Asineparthi

Phone: +91 90520 00521

E-mail: ramesh.bob@careedge.in

About CARE Ratings Limited:

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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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