

Vipul Motors Private Limited

January 09, 2023

Ratings

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	45.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable/ A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable / CARE A4+; (Double B; Outlook: Stable / A Four Plus)
Short Term Bank Facilities	180.00	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4+; (A Four Plus)
Total Bank Facilities	225.00 (₹ Two Hundred Twenty-Five Crore Only)		

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; Based on best available information

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated October 18, 2021, placed the rating(s) of Vipul Motors Private Limited (VMPL) under the 'issuer non-cooperating' category as VMPL 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. VMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated September 03, 2022, September 13, 2022, September 23, 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 bank facilities of VMPL have been revised on basis of non-availability of requisite information. The revision also considers the low profitability margins and modest debt coverage in FY22.

Detailed description of the key rating drivers

Please refer to PR dated [October 18, 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

Vipul Motors Private Limited was incorporated on March 07, 1988 and is promoted by the Delhi-based Beriwalla family. The company is an authorized dealer of Maruti Suzuki India Limited, particularly in the North India Region. It is primarily engaged in the sale of new cars, servicing of vehicles, sale of spare parts and sale and purchase of pre-owned cars.

Brief Financials (₹ crore)	FY21(A)	FY22(A)	9MFY23(Prov.)
Total operating income	1059.35	1152.78	NA
PBILDT	1.17	15.15	NA
PAT	5.67	19.13	NA
Overall gearing (times)	3.90	1.75	NA
Interest coverage (times)	0.11	2.21	NA

A-Audited, Prov.- Provisional, NA – Not Available.

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

Status of non-cooperation with previous CRA: CRISIL has continued the ratings assigned to the bank facilities of VMPL into 'Issuer not-cooperating' category vide press release dated December 13, 2022 on account of non-availability of requisite information from the company.

Any other information: Not Available

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 (₹ crore)	Rating Assigned along with Rating Outlook
Fund-based - LT/ ST-Cash Credit	-	-	-	-	45.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-Working Capital Limits	-	-	-	-	130.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-Working Capital Limits	-	-	-	-	20.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-Working Capital Limits	-	-	-	-	30.00	CARE A4; 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 (₹ 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 - ST-Working Capital Limits	ST	130.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+; ISSUER NOT COOPERATING* (18-Oct-21)	1)CARE A4+ (19-Aug-20)	-
2	Fund-based - ST-Working Capital Limits	ST	20.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+; ISSUER NOT COOPERATING* (18-Oct-21)	1)CARE A4+ (19-Aug-20)	-
3	Fund-based - ST-Working Capital Limits	ST	30.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+; ISSUER NOT COOPERATING* (18-Oct-21)	1)CARE A4+ (19-Aug-20)	-
4	Fund-based - LT/ ST-Cash Credit	LT/ST	45.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable / CARE A4+; ISSUER NOT COOPERATING* (18-Oct-21)	1)CARE BB+; Stable / CARE A4+ (19-Aug-20)	-

*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/ ST-Cash Credit	Simple
2	Fund-based - ST-Working Capital Limits	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 instruments: CARE Ratings 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.

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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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