

## Aarson Motors

March 10, 2022

### Ratings

| Facilities/Instruments       | Amount (Rs. crore)                       | Rating <sup>1</sup>   | Rating Action   |
|------------------------------|--|---|---|
| Long Term Bank Facilities    | 6.00                                     | CARE B-; Stable;<br>ISSUER NOT COOPERATING*<br>(Single B Minus; Outlook: Stable<br>ISSUER NOT COOPERATING*) | Rating continues to remain under<br>ISSUER NOT COOPERATING category |
| <b>Total Bank Facilities</b> | <b>6.00<br/>(Rs. Six<br/>Crore Only)</b> |   |   |

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated January 25, 2021, placed the rating(s) of Aarson Motors (AM) under the 'issuer non-cooperating' category as AM 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. AM continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated December 11, 2021, March 03, 2022, March 04, 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 [January 25, 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 Firm

Aarson Motors was established in year 2001 with an objective to enter into two-wheeler dealership business. The entity started its operation from 2001 and managed by two partners namely Mr. Ashok Kumar Singh and Mrs. Banti Agarwal. The entity is authorized dealer of Hero Motocrop Limited (Two-wheeler division) with its office located at Vidhan Sabha Road, Pandri, Raipur-492005. Currently the entity has fully automated workshops with firm trained mechanics, the only dealership with two additional fully automated workshops located at Siddarth Chowk, Tikarapara, Raipur and Pathak Hospital Road, Fafadih, Raipur. Apart from this, they also have seven sub-dealers in the region.

| Brief Financials (Rs. crore) | 31-03-2020 (A) | 31-03-2021 (A) | 9MFY22 (Prov.) |
|------------------------------|----------------|----------------|----------------|
| Total operating income       | NA             | NA             | NA             |
| PBILDT                       | NA             | NA             | NA             |
| PAT                          | NA             | NA             | NA             |
| Overall gearing (times)      | NA             | NA             | NA             |
| Interest coverage (times)    | NA             | NA             | NA             |

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

**Status of non-cooperation with previous CRA:** Acuite Continued the ratings assigned to the bank facilities of AM to the 'issuer not-cooperating' category vide press release dated January 11, 2022 on account its inability to carryout review in the absence of best available information from the firm.

**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 firm:** Annexure- 4

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

**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    |      | -                | -           | -             | 4.00                          | CARE B-; Stable; ISSUER NOT COOPERATING*  |
| Fund-based - LT-Bank Overdraft |      | -                | -           | -             | 2.00                          | 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              | 4.00                           | CARE B-; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (25-Jan-21) | 1)CARE B; Stable; ISSUER NOT COOPERATING* (18-Nov-19) | 1)CARE B+; Stable (05-Nov-18)             |
| 2      | Fund-based - LT-Bank Overdraft          | LT              | 2.00                           | CARE B-; Stable; ISSUER NOT COOPERATING* | -   | 1)CARE B-; Stable; ISSUER NOT COOPERATING* (25-Jan-21) | 1)CARE B; Stable; ISSUER NOT COOPERATING* (18-Nov-19) | 1)CARE B+; Stable (05-Nov-18)             |

\*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 Firm**

| Sr. No | Name of instrument             | Complexity level |
|--------|--------------------------------|------------------|
| 1      | Fund-based - LT-Bank Overdraft | Simple           |
| 2      | Fund-based - LT-Cash Credit    | Simple           |

**Annexure 5: Bank Lender Details for this Firm**

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.

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### About CARE Ratings:

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