

## City Cars (A Unit of Agarwal Wheels Pvt. Ltd.)

January 12, 2023

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term / Short Term Bank Facilities	10.85	<b>CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*</b>	<b>Rating continues to remain under ISSUER NOT COOPERATING category</b>
Short Term Bank Facilities	5.50	<b>CARE A4; ISSUER NOT COOPERATING*</b>	<b>Rating continues to remain under ISSUER NOT COOPERATING category</b>

Details of instruments/facilities in Annexure-1

\*Issuer not cooperating; Based on best available information

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated October 20, 2021, placed the rating(s) of City Cars (A Unit of Agarwal Wheels Pvt. Ltd.) (CCUOAWPL) under the 'issuer non-cooperating' category as CCUOAWPL 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. CCUOAWPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated September 05, 2022, September 15, 2022, September 25, 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 [October 20, 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

Established in 2008, City Cars (A Unit of Agarwal Wheels Private Limited) (CIN - U51909WB2008PTC129278) is an authorized dealer of Maruti Suzuki India Limited which operates with eleven showrooms (including one NEXA and one TRUEVALUE) in Madhya Pradesh out of which three showrooms are located in Satna and one each in Rewa, Mauganj, Sidhi, Sidhauri, Waidhan, Maihar, Chitrakoot and Panna. Except for Maihar, all these showrooms have workshop as well. The overall operation of the company is managed by Mr. Neeraj Agarwal, Mr. Naval Agarwal and Ms. Kusum Agarwal. City Cars is the part of Satna based, Agarwal Group dealing in dealership business for more than two decades via other group entities i.e. Agarwal Motors (A Unit of Concord Tie-up Pvt. Ltd.), Agarwal Sales, Agarwal Auto & Care Pvt. Ltd. and Ventron Tradlink Pvt. Ltd.

Brief Financials (Rs. crore)	FY21 (A)	FY22 (A)	9MFY23 (Prov.)
Total operating income	160.37	181.82	NA
PBILDT	4.58	4.63	NA
PAT	1.15	1.32	NA
Overall gearing (times)	1.89	1.50	NA
Interest coverage (times)	2.71	2.95	NA

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

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

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

**Covenants of rated instrument/facility:** Annexure-3

<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

**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/ ST-Working Capital Limits		-	-	-	9.85	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-Purchase Invoice Financing		-	-	-	5.50	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - LT/ ST-Bank Guarantee		-	-	-	1.00	CARE BB-; Stable / 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 (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/ ST-Working Capital Limits	LT/ST*	9.85	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE BB; Stable / CARE A4 (19-Oct-20)	-
2	Non-fund-based - LT/ ST-Bank Guarantee	LT/ST*	1.00	CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING*	-	1)CARE BB-; Stable / CARE A4; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE BB; Stable / CARE A4 (19-Oct-20)	-
3	Fund-based - ST-Purchase Invoice Financing	ST	5.50	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (20-Oct-21)	1)CARE A4 (19-Oct-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 the Instrument	Complexity Level
1	Fund-based - LT/ ST-Working Capital Limits	Simple
2	Fund-based - ST-Purchase Invoice Financing	Simple
3	Non-fund-based - LT/ 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 Ratings Ltd. 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:

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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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