

**Press Release**  
**Hoshiarpur Automobiles**

October 12, 2022



**Rating Downgraded & Withdrawn and Issuer not co-operati**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	10.95	ACUITE BB-   Downgraded & Withdrawn   Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	10.95	-	-

**Rating Rationale**

Acuite has downgraded & withdrawn the long-term rating from '**ACUITE BB**' (read as **ACUITE double B**) to '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs.10.95 crore bank facilities of Hoshiarpur Automobiles (HA). The rating withdrawal is in accordance with Acuite's policy on withdrawal of rating. The rating continues to be flagged as "Issuer NotCooperating". The rating is being withdrawn on account of request received from the company and NOC received from the banker. This rating has been downgraded on account of information risk.

**About the Company**

HA, incorporated as a partnership firm in 1980 in Hoshiarpur (Punjab), is engaged in automobile trading business. It started its business as an authorised service and spares dealer of Matador vehicles of Bajaj Auto Limited. Subsequently, in 1993, it started its association with MSIL as a Maruti Authorized Service Station. Further, it became an authorised dealer of MSIL in August 2001 and has been since engaged in this business. HA is managed by Mr. Ajvinder Singh, Mr. Gurpreet Singh and Mr. Iqbal Singh. It has seven showrooms in Hoshiarpur and one E-outlet at Singriwala, Garhshankar, Dasuya, Tanda Urmur, Mahilpur, Mukerian, Bullowal and Talwara each. The dealership has been awarded MSIL's 'India No. 1 and Platinum band' consistently. The registered office as well as showrooms of the company is situated at Punjab.

**Non-cooperation by the issuer/borrower:**

Acuite has been requesting for data, information, and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before the due date.

Acuite believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with an unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

**Limitation regarding information availability:**

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuite endeavoured to gather information about the entity/ industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

### About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

### Rating Sensitivity

No information provided by the issuer / available for Acuite to comment upon.

### Material Covenants

None

### Liquidity Position

No information provided by the issuer / available for Acuite to comment upon.

### Outlook

Not Applicable.

### Other Factors affecting Rating

Not Applicable

### Status of non-cooperation with previous CRA

None

### Any other information

Acuite is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

### Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

### Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

### Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
23 Jul 2021	Cash Credit	Long Term	5.95	ACUITE BB (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	5.00	ACUITE BB (Downgraded and Issuer not co-operating*)
29 Apr 2020	Secured Overdraft	Long Term	5.00	ACUITE BB+ (Issuer not co-operating*)
	Cash Credit	Long Term	5.95	ACUITE BB+ (Issuer not co-operating*)
05 Mar 2019	Cash Credit	Long Term	5.95	ACUITE BB+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	5.00	ACUITE BB+ (Issuer not co-operating*)
10 Jan 2018	Cash Credit	Long Term	5.95	ACUITE BB+ (Issuer not co-operating*)
	Secured Overdraft	Long Term	5.00	ACUITE BB+ (Issuer not co-operating*)
04 Oct 2016	Cash Credit	Long Term	5.95	ACUITE BB+   Stable (Reaffirmed)
	Secured Overdraft	Long Term	5.00	ACUITE BB+   Stable (Assigned)
28 Aug 2015	Cash Credit	Long Term	5.95	ACUITE BB+   Stable (Assigned)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Punjab National Bank	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	5.95	ACUITE BB-   Downgraded & Withdrawn   Issuer not co-operating*
Punjab National Bank	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE BB-   Downgraded & Withdrawn   Issuer not co-operating*

## Contacts

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### About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

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