



**Press Release**  
**Eros Motors Private Limited**  
**September 10, 2024**  
**Rating Downgraded and Issuer not co-operating**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	38.20	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	2.00	-	ACUITE A4+   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	40.20	-	-

**Rating Rationale**

Acuite has downgraded its long-term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) and its short-term rating to '**ACUITE A4+**' (read as **ACUITE A four plus**) from '**ACUITE A3**' (read as **ACUITE A three**) on the Rs. 40.20 crore bank facilities of Eros Motors Private Limited (EMPL).

Acuite had sent repeated reminders to the company for sharing critical information for surveillance of the ratings. But despite multiple requests, the company has remained non-cooperative in providing the information. The rating is now flagged as "Issuer Not-Cooperating" and is based on the best information available.

The rating is downgraded on account of information risk.

**About the Company**

Eros Motors Private Limited, incorporated in 1999, was promoted by the late Mr. N P Pande and is presently managed by Mr. Anuj Pande. The company is based in Nagpur, Maharashtra, and deals in commercial vehicles, passenger cars, and tractors. It is the authorised dealer of Hyundai Motor India Ltd.'s passenger cars, SML Isuzu's commercial vehicles, and Piaggio's three- and four-wheeler light commercial vehicles. In July 2010, EMPL became an authorised distributor of Mahindra & Mahindra Ltd tractors for Vidarbha region (excluding Nagpur, Yavatmal, Amravati, and Chandrapur).

**Unsupported Rating**

Not Applicable

**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. Acuité believes that information risk is a critical component in such ratings, and non cooperation by the issuer along with 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 Acuité'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). Acuité endeavoured to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit

rating is based.

**Rating Sensitivities**

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

**Liquidity Position**

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

**Outlook**

Not Applicable

**Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	261.80	217.43
PAT	Rs. Cr.	3.39	1.91
PAT Margin	(%)	1.30	0.88
Total Debt/Tangible Net Worth	Times	0.94	0.43
PBDIT/Interest	Times	4.37	4.48

### Status of non-cooperation with previous CRA

Not Applicable

### Any other information

None

### Applicable Criteria

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

### Note on Complexity Levels of the Rated Instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite' s categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Jun 2023	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3 (Reaffirmed)
	Cash Credit	Long Term	4.00	ACUITE BBB-   Stable (Reaffirmed)
	Inventory Funding	Long Term	19.00	ACUITE BBB-   Stable (Reaffirmed)
	Inventory Funding	Long Term	6.00	ACUITE BBB-   Stable (Reaffirmed)
	Inventory Funding	Long Term	1.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.40	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	2.73	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	1.13	ACUITE BBB-   Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	2.94	ACUITE BBB-   Stable (Reaffirmed)
22 Mar 2022	Bank Guarantee/Letter of Guarantee	Short Term	2.00	ACUITE A3 (Upgraded from ACUITE A4)
	Cash Credit	Long Term	4.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB-)
	Inventory Funding	Long Term	6.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB-)
	Inventory Funding	Long Term	1.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB-)
	Term Loan	Long Term	4.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	2.70	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	0.10	ACUITE BBB-   Stable (Upgraded from ACUITE BB-)
	Term Loan	Long Term	1.40	ACUITE BBB-   Stable (Upgraded from ACUITE BB-)
	Inventory Funding	Long Term	19.00	ACUITE BBB-   Stable (Upgraded from ACUITE BB-)
17 Feb 2021	Bank Guarantee (BLR)	Short Term	2.00	ACUITE A4 (Downgraded & Issuer not co-operating* from ACUITE A4+)
	Cash Credit	Long Term	4.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)
	Inventory Funding	Long Term	19.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)
	Inventory Funding	Long Term	6.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)
	Inventory Funding	Long Term	1.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)
	Term Loan	Long Term	0.33	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)
	Inventory Funding	Long Term	1.00	ACUITE BB- (Downgraded & Issuer not co-operating* from ACUITE BB   Stable)
	Proposed Long Term	Long	0.17	ACUITE BB- (Downgraded & Issuer not co-

	Bank Facility	Term		operating* from ACUITE BB   Stable)	
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## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.00	ACUITE A4+   Downgraded   Issuer not co-operating* (from ACUITE A3 )
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	4.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
State Bank of India	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	19.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Axis Bank	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	6.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
HDFC Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.94	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
State Bank of India	Not avl. / Not	Term Loan	01 Nov 2023	Not avl. / Not appl.	31 Oct 2026	Simple	1.40	ACUITE BB+   Downgraded   Issuer not co-

	appl.							operating* (from ACUITE BBB- )
Axis Bank	Not avl. / Not appl.	Term Loan	30 Nov 2021	Not avl. / Not appl.	31 Oct 2026	Simple	2.73	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )
State Bank of India	Not avl. / Not appl.	Term Loan	01 Sep 2021	Not avl. / Not appl.	31 Aug 2024	Simple	1.13	ACUITE BB+   Downgraded   Issuer not co-operating* (from ACUITE BBB- )

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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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