



Press Release
Dewar's Garage Limited
January 02, 2025
Rating Downgraded and Reaffirmed

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	122.65	ACUITE C Downgraded	-
Bank Loan Ratings	2.35	-	ACUITE A4 Reaffirmed
Total Outstanding Quantum (Rs. Cr)	125.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to 'ACUITE C' (read as ACUITE C) from ACUITE BB- (read as ACUITE double B minus) on the Rs. 122.65 Cr. bank facilities and reaffirmed the short-term rating at 'ACUITE A4' (read as ACUITE A four) on the Rs. 2.35 Cr. bank facilities of Dewars Garage Limited (DGL).

Rationale of Rating Downgrade

The downgrade is based on delays reported in servicing of debt obligation as reflected in the Credit bureau information report.

About the Company

Dewars Garage Limited (DGL) was incorporated in 1998. Currently, the company is headed by Mr. Sudhir Jhujhunwala, Mr. Rohit Kedia and Mr. Bhavnesh Gujral. DGL is an authorized dealer of Maruti Suzuki India Limited and engaged in trading and servicing of passenger vehicles. The company is having 8 showrooms, out of which 5 showrooms are for new vehicles and 3 showrooms are for pre-owned vehicles, 2 workshops and 2 stockyards. All the 12 facilities are in Kolkata, West Bengal.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has taken a standalone view of the business and financial risk profile of DGL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Management and Long track record of operations

The key promoter of Dewar's Garage Limited (DGL), Mr. Sudhir Jhujhunwala has been in the industry for 25 years. Acuite derives comfort from the long experience of the promoter. Established in 1998, DGL has a long operational track record of 25 years in the automobile dealership industry. Acuite believes that the long track record of operations will benefit the company going forward, resulting in steady growth in the scale of operations.

Weaknesses

Instances of delays in debt servicing

Instances of delays in debt-servicing have been reported in recent months reflected in the Credit Bureau Information report of the company.

Rating Sensitivities

Timely servicing of debt obligations

Liquidity Position**Stretched**

Liquidity position of the company is marked stretched due to instances of delays in servicing of debt obligation by the company in recent months.

Outlook: Not Applicable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	272.97	217.35
PAT	Rs. Cr.	1.46	0.86
PAT Margin	(%)	0.53	0.40
Total Debt/Tangible Net Worth	Times	4.22	4.45
PBDIT/Interest	Times	1.51	1.48

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Trading Entities: <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, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuité'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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
30 May 2024	Bank Guarantee/Letter of Guarantee	Short Term	0.35	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Inventory Funding	Long Term	10.50	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Covid Emergency Line.	Long Term	0.56	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Covid Emergency Line.	Long Term	2.70	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Covid Emergency Line.	Long Term	4.79	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Covid Emergency Line.	Long Term	1.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Term Loan	Long Term	5.65	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Proposed Inventory Funding	Long Term	7.59	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Inventory Funding	Long Term	1.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Inventory Funding	Long Term	3.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Inventory Funding	Long Term	5.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Inventory Funding	Long Term	2.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Secured Overdraft	Long Term	1.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Inventory Funding	Long Term	10.00	ACUITE BB- Stable (Assigned)
	Proposed Inventory Funding	Long Term	1.75	ACUITE BB- Stable (Assigned)
	Inventory Funding	Long Term	3.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Inventory Funding	Long Term	8.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Inventory Funding	Long Term	3.00	ACUITE BB- Stable (Assigned)
	Inventory Funding	Long Term	19.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Inventory Funding	Long Term	9.00	ACUITE BB- Stable (Assigned)
	Cash Credit	Long Term	2.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Secured Overdraft	Long Term	7.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Term Loan	Long Term	15.11	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Bank Guarantee/Letter of Guarantee	Short Term	0.35	ACUITE A4 (Reaffirmed)
	Letter of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Inventory Funding	Long Term	19.00	ACUITE B+ Stable (Reaffirmed)
	Cash Credit	Long Term	2.00	ACUITE B+ Stable (Reaffirmed)
	Secured Overdraft	Long Term	7.00	ACUITE B+ Stable (Reaffirmed)

02 Mar 2023	Term Loan	Long Term	15.11	ACUITE B+ Stable (Reaffirmed)
	Inventory Funding	Long Term	10.50	ACUITE B+ Stable (Reaffirmed)
	Covid Emergency Line.	Long Term	0.56	ACUITE B+ Stable (Assigned)
	Covid Emergency Line.	Long Term	2.70	ACUITE B+ Stable (Assigned)
	Covid Emergency Line.	Long Term	4.79	ACUITE B+ Stable (Assigned)
	Covid Emergency Line.	Long Term	1.00	ACUITE B+ Stable (Assigned)
	Secured Overdraft	Long Term	1.00	ACUITE B+ Stable (Assigned)
	Term Loan	Long Term	5.65	ACUITE B+ Stable (Assigned)
	Proposed Inventory Funding	Long Term	4.29	ACUITE B+ Stable (Reaffirmed)
	Proposed Inventory Funding	Long Term	5.71	ACUITE B+ Stable (Assigned)
	Proposed Inventory Funding	Long Term	0.59	ACUITE B+ Stable (Assigned)
	Inventory Funding	Long Term	8.00	ACUITE B+ Stable (Reaffirmed)
	Inventory Funding	Long Term	1.00	ACUITE B+ Stable (Assigned)
	Inventory Funding	Long Term	3.00	ACUITE B+ Stable (Reaffirmed)
	Inventory Funding	Long Term	2.00	ACUITE B+ Stable (Assigned)
	Inventory Funding	Long Term	5.00	ACUITE B+ Stable (Assigned)
02 Dec 2021	Letter of Credit	Short Term	2.00	ACUITE A4 (Reaffirmed)
	Bank Guarantee/Letter of Guarantee	Short Term	0.35	ACUITE A4 (Reaffirmed)
	Proposed Inventory Funding	Long Term	0.79	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Inventory Funding	Long Term	13.00	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Term Loan	Long Term	15.11	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Secured Overdraft	Long Term	7.00	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Cash Credit	Long Term	3.00	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Inventory Funding	Long Term	19.00	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Inventory Funding	Long Term	3.00	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Inventory Funding	Long Term	8.00	ACUITE B+ Stable (Upgraded from ACUITE B Stable)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
HDFC Bank Ltd	Not avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.35	Simple	ACUITE A4 Reaffirmed
UCO Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
ICICI Bank Ltd	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Jan 2026	0.56	Simple	ACUITE C Downgraded (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2025	2.70	Simple	ACUITE C Downgraded (from ACUITE BB-)
HDFC Bank Ltd	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	30 May 2026	4.79	Simple	ACUITE C Downgraded (from ACUITE BB-)
Axis Bank	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	28 Feb 2026	1.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
Axis Bank	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
ICICI Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
Yes Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
ICICI Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
HDFC Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.50	Simple	ACUITE C Downgraded (from ACUITE BB-)
Axis Bank	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
State Bank of India	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	28.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
Indian Bank	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	10.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
Yes Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
UCO Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	2.00	Simple	ACUITE A4 Reaffirmed
Not Applicable	Not avl. / Not appl.	Proposed Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.59	Simple	ACUITE C Downgraded (from ACUITE BB-)
Not Applicable	Not avl. / Not appl.	Proposed Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.75	Simple	ACUITE C Downgraded (from ACUITE BB-)
HDFC Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	7.00	Simple	ACUITE C Downgraded (from ACUITE BB-)
								ACUITE C

HDFC Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	1.00	Simple	Downgraded (from ACUITE BB-)
ICICI Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	05 Feb 2043	5.65	Simple	ACUITE C Downgraded (from ACUITE BB-)
HDFC Bank Ltd	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	31 Dec 2035	15.11	Simple	ACUITE C Downgraded (from ACUITE BB-)

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