

Press Release

Vijay Automobiles

February 04, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	14.00	ACUITE BB- Downgraded Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	14.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE BB-**' (**read as ACUITE double B Minus**) from '**ACUITE BB**' (**read as ACUITE double B**) on the Rs.14.00 crore bank facilities of Vijay Automobiles. This rating is now an indicative rating and is downgraded on account of information risk.

About the Company

Alwar-based, Vijay Automobiles was established in 1972 by the Late Mr. Jagdhish Prasad Agarwal and Mr. Vijay Agarwal. Mr. Vijay Agarwal is still associated with the firm. The firm is engaged in the trading of automobile ancillary parts of commercial vehicles in Alwar, Jaipur, Kota, and Bikaner areas of Rajasthan. Vijay Automobiles is an authorised dealer of Tata Motors Automobile ancillary parts and currently, it has acquired a new business from Tata Motors for the supply of vehicles on road spare parts.

Non-cooperation by the issuer/borrower:

Acuité 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 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 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.

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 Acuité to comment upon.

Material Covenants

Not Applicable

Liquidity Position

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

Outlook

Not Applicable

Status of non-cooperation with previous CRA

BRICKWORKS, vide its press release dated 25th June 2020 had denoted the rating of VIJAY AUTOMOBILES as 'BB (ISSUER NOT COOPERATING)' on account of lack of adequate information required for monitoring of ratings.

Any other information

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

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.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
09 Nov 2020	Cash Credit	Long Term	14.00	ACUITE BB (Downgraded and Issuer not co-operating*)
23 Aug 2019	Cash Credit	Long Term	14.00	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
Bank of Baroda	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	14.00	ACUITE BB- Downgraded Issuer not co-operating*

Contacts

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About Acuité Ratings & Research

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 8,850 credit 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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