



Press Release
CARGO MOTORS KUTCH PRIVATE LIMITED
March 13, 2025
Rating Assigned and Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	57.50	ACUITE C Assigned	-
Bank Loan Ratings	42.50	ACUITE C Downgraded	-
Total Outstanding Quantum (Rs. Cr)	100.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE B+**' (read as **ACUITE B plus**) on the Rs. 42.50 Cr. bank facilities of Cargo Motors Kutch Private Limited. (CMKPL) Furthermore, Acuite has assigned the long-term rating to '**ACUITE C**' (read as **ACUITE C**) on the Rs. 57.50 Cr. bank facilities of Cargo Motors Kutch Private Limited. (CMKPL).

Rationale for rating

The rating is based on the findings of Credit Information Report wherein it was reported as SMA-0 for Auto loans, Medium term loans and Short term loans latest upto November 2024.

About the Company

Gujarat based Cargo Motors Kutch Private Limited was incorporated in the year 2005. The company is engaged in dealership business for MG Motors in Punjab and Haryana. Present directors of the company are Ms. Anita Nanda, Mr. Abhishek Vimal Gujral, Mr. Vimal Chunilal Gujral, Mr. Jayant Nanda And Ms. Devki Nanda.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Management

The directors of the company are Mr. Jayant Nanda, Mrs. Anita Nanda and Ms. Devki Nanda. Acuite believes that the presence of experienced management and increase in demand for automobiles will result in growth in the business.

Weaknesses

Findings in the Credit Information Report

The company has been categorised as SMA-0 for Auto loans, Medium term loans and Short Term Loans as reported in Credit Information Report latest upto November 2024. Acuite believes that the timely payment of the loans will be a key monitorable.

Rating Sensitivities

Timely servicing of the debt obligations.

Liquidity Position

Poor

The liquidity is poor because the company has made delays in the past in servicing the debt obligations as reflected from the Credit Information Report.

Outlook: Not Applicable

Other Factors affecting Rating
None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	571.01	474.67
PAT	Rs. Cr.	0.41	0.80
PAT Margin	(%)	0.07	0.17
Total Debt/Tangible Net Worth	Times	8.17	8.01
PBDIT/Interest	Times	1.38	1.71

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

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- 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>
- 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. 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.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
12 Jul 2024	Cash Credit	Long Term	34.00	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB- Stable)
	Proposed Long Term Bank Facility	Long Term	8.50	ACUITE B+ (Downgraded & Issuer not co-operating* from ACUITE BB- Stable)
08 May 2023	Cash Credit	Long Term	34.00	ACUITE BB- Stable (Downgraded from ACUITE BB Stable)
	Proposed Long Term Bank Facility	Long Term	8.50	ACUITE BB- Stable (Downgraded from ACUITE BB Stable)
11 May 2022	Cash Credit	Long Term	42.50	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	34.00	Simple	ACUITE C Downgraded (from ACUITE B+)
ICICI Bank Ltd	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	22.50	Simple	ACUITE C Assigned
Kotak Mahindra Prime Limited	Not avl. / Not appl.	Inventory Funding	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	29.00	Simple	ACUITE C Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	8.50	Simple	ACUITE C Downgraded (from ACUITE B+)
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.00	Simple	ACUITE C Assigned

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Vedika Lahoti Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

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