



Press Release
SHIVAM MOTORS PRIVATE LIMITED
June 25, 2025
Rating Downgraded

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	45.41	ACUITE C Downgraded	-
Bank Loan Ratings	5.25	ACUITE D Downgraded	-
Bank Loan Ratings	6.50	-	ACUITE A4 Downgraded
Total Outstanding Quantum (Rs. Cr)	57.16	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has downgraded its long-term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE BB**' (read as **ACUITE Double B**) on Rs.5.25 Cr. bank facilities of Shivam Motors Private Limited (SMPL).

Acuite has also downgraded its long-term rating to '**ACUITE C**' (read as **ACUITE C**) from '**ACUITE BB**' (read as **ACUITE Double B**) on Rs.45.41 Cr. bank facilities and short-term rating to '**ACUITE A4**' (read as **ACUITE A four**) from '**ACUITE A4+**' (read as **ACUITE A four Plus**) on Rs.6.50 Cr. bank facilities of Shivam Motors Private Limited (SMPL).

Rationale for downgrade

The rating downgrade is on the account of recurring delays observed in the servicing of interest obligations by the company in the recent past as reflected in the bank statement.

About the Company

Incorporated in 1983, Shivam Motors Private Limited (SMPL) is an authorised dealer of commercial vehicles of Tata Motors in Chhattisgarh. It operates five 3S and four 1S showroom across Chhattisgarh region. The company is promoted by Mr Kailash Gupta, Mrs Rekha Gupta and Mr. Mukesh Kumar Shrivastava. In addition to sale of vehicles and spare parts, the company provides a broad portfolio of value-added services including hire-purchase, insurance, registration, refinance, annual maintenance contracts and reconditioned engines. SMPL has also set up body building unit including tip trailer which is operational since FY2013.

Unsupported Rating

Not Applicable

Analytical Approach

Acuite has considered the standalone business and financial risk profile of SMPL while arriving at the rating.

Key Rating Drivers

Strengths

Experienced management and established relationships with Tata Motors

SMPL has over three decades of operational track record in auto dealership industry. Further, the promoter, Mr. Kailash Chand Gupta has over five decades of experience in automobiles and manufacturing of truck and bus bodies. The extensive experience of the management has helped the company to establish long-term relations with

the Tata Motors. Their strong relationship with Tata Motors has also helped the company to build strong reputation in the market. Acuité believes that the long operational track record of SMPL, promoters' extensive understanding and expertise and established relationship with Tata Motors will benefit the company going forward, resulting in steady growth in the scale of operations.

Weaknesses

Instances of delays in servicing of debt obligation

There were recurring delays in the servicing of interest obligations in the WCDL account of SMPL. As per the sanction terms the interest was to be paid as and when charged, however the interest paid after one month of interest being applied for last 5 months ended March 2025.

Rating Sensitivities

Timely servicing of debt obligations

Liquidity Position

Poor

Liquidity position of the company is poor as there have been instances of delays in servicing of debt obligations in recent past.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	326.86	271.92
PAT	Rs. Cr.	0.77	3.35
PAT Margin	(%)	0.24	1.23
Total Debt/Tangible Net Worth	Times	1.53	1.32
PBDIT/Interest	Times	1.36	1.61

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>
- 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
25 Nov 2024	Channel/Dealer/Vendor Financing	Short Term	6.50	ACUITE A4+ (Reaffirmed)
	Cash Credit	Long Term	5.00	ACUITE BB Stable (Assigned)
	Cash Credit	Long Term	12.75	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	15.00	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	3.35	ACUITE BB Stable (Reaffirmed)
	Term Loan	Long Term	5.15	ACUITE BB Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	2.25	ACUITE BB Stable (Reaffirmed)
	Working Capital Demand Loan (WCDL)	Long Term	3.00	ACUITE BB Stable (Assigned)
	Covid Emergency Line.	Long Term	2.83	ACUITE BB Stable (Assigned)
	Covid Emergency Line.	Long Term	1.33	ACUITE BB Stable (Assigned)
06 Oct 2023	Channel/Dealer/Vendor Financing	Short Term	5.50	ACUITE A4+ (Assigned)
	Cash Credit	Long Term	12.75	ACUITE BB Stable (Assigned)
	Cash Credit	Long Term	13.88	ACUITE BB Stable (Assigned)
	Term Loan	Long Term	11.72	ACUITE BB Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	1.15	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.	15.00	Simple	ACUITE C Downgraded (from ACUITE BB)
Bank of Maharashtra	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	12.75	Simple	ACUITE C Downgraded (from ACUITE BB)
HDFC Bank Ltd	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.00	Simple	ACUITE C Downgraded (from ACUITE BB)
State Bank of India	Not avl. / Not appl.	Channel/Dealer/Vendor Financing	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	6.50	Simple	ACUITE A4 Downgraded (from ACUITE A4+)
Tata Motors Finance Solutions Ltd.	Not avl. / Not appl.	Covid Emergency Line.	28 Aug 2021	Not avl. / Not appl.	28 Aug 2026	2.83	Simple	ACUITE C Downgraded (from ACUITE BB)
Tata Motors Finance Solutions Ltd.	Not avl. / Not appl.	Covid Emergency Line.	17 Jan 2022	Not avl. / Not appl.	17 Jan 2028	1.33	Simple	ACUITE C Downgraded (from ACUITE BB)
State Bank of India	Not avl. / Not appl.	Term Loan	05 Jan 2021	Not avl. / Not appl.	31 Dec 2025	3.35	Simple	ACUITE C Downgraded (from ACUITE BB)
State Bank of India	Not avl. / Not appl.	Term Loan	30 Mar 2023	Not avl. / Not appl.	31 Mar 2029	5.15	Simple	ACUITE C Downgraded (from ACUITE BB)
Bank of Maharashtra	Not avl. / Not appl.	Working Capital Demand Loan (WCDL)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	5.25	Simple	ACUITE D Downgraded (from ACUITE BB)

Contacts

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About Acuité Ratings & Research

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