



## Press Release

### Hira Automobiles Limited

**March 17, 2025**

#### Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	56.12	IVR B+/ Negative ISSUER NOT COOPERATING* (IVR B Plus with Negative Outlook Issuer Not Cooperating)	IVR BB-/ Stable (IVR Double B Minus with Stable Outlook)	Rating downgraded and moved to Issuer Not Cooperating category; outlook revised	<a href="#">Simple</a>
<b>Total</b>	<b>56.12</b> <b>(Rs fifty-six crore and twelve lakh only)</b>				

*\*Issuer did not cooperate; based on best available information*

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.**

#### Detailed Rationale

Infomerics has downgraded the long-term rating and moved the rating assigned to the bank facilities of Hira Automobiles Limited (HAL) in the ISSUER NOT COOPERATING category because of lack of adequate information for rating review from the company and hence the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy. The long-term rating outlook has been changed from Stable to Negative due to information availability risk. The lenders, investors and other market participants are thus advised to exercise appropriate caution while using these ratings as the ratings may not adequately reflect the credit risk profile of the entity.

#### Non-cooperation by Issuer

Infomerics has been regularly following up with the company to provide the required data to monitor its assigned ratings to the bank facilities, vide mail communications dated 5<sup>th</sup> Dec 2024, 19<sup>th</sup> Dec 2024, 30<sup>th</sup> Dec 2024, 2<sup>nd</sup> Jan 2025, 21<sup>st</sup> Jan 2025, 22<sup>nd</sup> Jan 2025, 21<sup>st</sup> Feb



## Press Release

2025, 3<sup>rd</sup> Mar 2025, 4<sup>th</sup> Mar 2025, 5<sup>th</sup> Mar 2025, 6<sup>th</sup> Mar 2025, and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted surveillance fees, and all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the ratings based on the best available information. Accordingly, the rating assigned to the bank loan facilities aggregating to Rs. 56.12 crore of HAL shall be moved to the 'ISSUER NOT COOPERATING' category by Infomerics and the long-term rating be noted as 'IVR B+/ Negative ISSUER NOT COOPERATING' based on best available information (IVR B plus with Negative Outlook Issuer not cooperating based on best available information).

**Analytical Approach:** Standalone

**Applicable Criteria:**

[Rating Methodology for Trading Companies](#)

[Criteria of assigning Rating outlook](#)

[Policy on Default Recognition](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Financial Sector/Non- Financial Sector\)](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

**About the Company**

Incorporated in July 1989, Punjab-based, Hira Automobiles Limited (HAL) is promoted by Smt. Rajinder Kaur Bhattal (ex – Chief Minister of Punjab), Mr. Hardev Kaur, Mr. Rahulinder Singh Sidhu, Simran Bajwa and Manjeet Kaur Sangha. The company is an authorised dealer of Maruti Suzuki India Limited (MSIL) and operates twelve showroom (sales outlets) and eleven workshops located across multiple locations of Punjab. It deals in diverse products of passenger cars and used cars. Further, the company also derives income from after sales service, sale of the spare-parts coupled with income in the form of performance-based incentives and discounts from MSIL, insurance income, etc. It has more than three decades of experience in the automobile – trading segment. Long experience of HAL promoters and its



## Press Release

established track record of operations strengthens the operational risk profile of the company. The company's day-to-day operations are looked after by Mr. Rahulinder Singh Sidhu (Managing Director) and Mrs. Neha Sidhu (Director) along with a team of experienced professionals.

### Financials (Standalone):

(Rs. crore)

For the year ended/ As on*	31.03.2023	31.03.2024	9MFY24	9MFY25
	Audited	Audited	Unaudited	Unaudited
Total Operating Income	248.96	262.22	190.11	164.90
EBITDA	10.07	10.13	8.10	7.68
PAT	0.75	0.68	0.74	0.63
Total Debt	77.83	82.25	-	-
Tangible Net Worth	12.98	13.68	-	-
EBITDA Margin (%)	4.05	3.86	4.26	4.66
PAT Margin (%)	0.30	0.26	0.55	0.61
Overall Gearing Ratio (x)	5.99	6.01	-	-
Interest Coverage (x)	1.24	1.30	1.34	1.32

\* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

### Rating History for last three years:

Sr. No.	Name of Facilities	Current Ratings (Year 2024-25)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22
					(Feb 16, 2024)	(Dec 22, 2022)	-
1.	Term Loans	Long Term	8.92	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	IVR BB-/ Stable	-
2.	Cash Credit	Long Term	34.70	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	IVR BB-/ Stable	-
3.	Inventory Funding Limits	Long Term	12.50	IVR B+/ Negative ISSUER NOT COOPERATING*	IVR BB-/ Stable	IVR BB-/ Stable	-
4.	Electronic Dealer Finance	Long Term	-	-	-	IVR BB-/ Stable	-



## Press Release

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					(Feb 16, 2024)	(Dec 22, 2022)	-
	System (eDFS)						

*\*Issuer did not cooperate; based on best available information*

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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) (Formerly Infomerics Valuation & Rating Pvt. Ltd.) was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any



## Press Release

security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.

### Annexure 1: Facility Details

Name of Facility	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan 1	-	-	-	Feb 2027	2.00	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan 2	-	-	-	Aug 2029	1.05	IVR B+/ Negative ISSUER NOT COOPERATING*
Term Loan 3	-	-	-	Sept 2038	5.87	IVR B+/ Negative ISSUER NOT COOPERATING*
Cash Credit	-	-	-	-	34.70	IVR B+/ Negative ISSUER NOT COOPERATING*
Inventory Funding 1	-	-	-	-	7.50	IVR B+/ Negative ISSUER NOT COOPERATING*
Inventory Funding 2	-	-	-	-	5.00	IVR B+/ Negative ISSUER NOT COOPERATING*

*\*Issuer did not cooperate; based on best available information*

### Annexure 2: Facility wise lender details: Not Applicable

### Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

### Annexure 4: List of companies considered for consolidated/Combined analysis: Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).