



Press Release

**The Kothari Wheels (TKW)
October 25, 2023**

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	1.35	IVR BB+ / Negative; ISSUER NOT COOPERATING* (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	10.00	IVR A4+; ISSUER NOT COOPERATING* (IVR A4 Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Proposed short term bank facilities	7.30	IVR A4+; ISSUER NOT COOPERATING* (IVR A4 Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Total	Rs. 18.65	(Rupees eighteen crore and sixty-five lakhs Only)		

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

Details of Facilities are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of TKW reflects lack of adequate information and 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 lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating 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 rating to the bank facilities, vide mail communications dated June 29, 2023, October 12, 2023, October 17, 2023, and concurrently over several phone calls.



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However, despite repeated requests by Infomerics, the company's management has not submitted the requested information for monitoring the 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 review the ratings based on the best available information. Accordingly, the long-term ratings of the bank loan facilities aggregating to Rs.1.35 crore and short-term ratings and proposed short term ratings of the bank loan facilities aggregating to Rs. 10.00 crore and Rs. 7.30 crore, respectively of The Kothari Wheels shall be moved under the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR BB+; ISSUER NOT COOPERATING' with Negative Outlook and IVR A4+; 'ISSUER NOT COOPERATING' based on best available information.

Analytical Approach: Standalone

Applicable Criteria:

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

[Criteria of assigning Rating Outlook](#)

[Rating Methodology for Trading Companies](#)

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

[Criteria on Default Recognition](#)

About the company

The Kothari Wheels is holding Automobiles dealership of Maruti Suzuki. Established in 2006, The Kothari Wheels is a partnership firm based in Maharashtra's Pune region and is involved in dealership of MSIL's passenger and commercial vehicles as well as resale of pre-owned vehicles. The Kothari Wheels has been associated with Maruti Suzuki since its inception. Mr. Vishal Kothari is the main promoter of The Kothari Wheels who has business interests in real estate, finance and auto dealership. He is an engineer by qualification and has close control over the firm's operations. He is assisted by a professional and experienced team.



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Financials (Standalone):

(Rs. crore)

For the year ended / As on	31-03-2021	31-03-2022
	Audited	Provisional
Total Operating Income	219.77	265.76
EBITDA	9.12	13.32
PAT	1.89	6.33
Total Debt	32.80	22.61
Tangible Net worth	22.21	24.85
Ratios		
EBITDA Margin (%)	4.15	5.01
PAT Margin (%)	0.86	2.38
Overall Gearing Ratio (x)	1.48	0.91

*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 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (August 5, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	1.35	IVR BB+/ Negative; ISSUER NOT COOPERATING *	IVR BBB-/ Stable	-	-
2.	Invoice Financing	Short Term	10.00	IVR A4+/ ISSUER NOT COOPERATING *	IVR A3	-	-
3.	Proposed	Short Term	7.30	IVR A4+/ ISSUER NOT COOPERATING *	IVR A3	-	-

*Issuer did not cooperate; based on best available information



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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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 visit 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 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: Details of Facilities



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Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Term Loan	-	-	April 2026	1.35	IVR BB+/ Negative; ISSUER NOT COOPERATING *
Invoice Financing	-	-	-	10.00	IVR A4+;/ ISSUER NOT COOPERATING *
Proposed	-	-	-	7.30	IVR A4+;/ ISSUER NOT COOPERATING *

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

Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details: Not Available

Annexure 4: Detailed explanation of covenants of the rated instrument/facilities: 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.