



Press Release

Jaika Automobiles & Finance Private Limited

July 26, 2023

Facilities	Amount (Rs. crore)	Current Ratings	Previous Rating	Rating Action	Complexity
Long Term Bank Facilities	66.64	IVR B+/Negative/INC (IVR Single B Plus with Negative Outlook /(ISSUER NOT CO- OPERATING)	IVR BB-/Stable (IVR Double B Minus with Stable Outlook)	Downgraded and Moved under ISSUER NOT CO- OPERATING category.	Simple
Short Term Bank facilities	28.75	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO- OPERATING)	IVR A4 (Pronounced as IVR A Four)	Re-affirmed and Moved under ISSUER NOT CO- OPERATING category.	Simple
Total	95.39	(INR Ninety Five Crores and Thirty Nine lakhs Only)			

Ratings

Issuer did not cooperate; based on best available information

Detailed Rationale

The rating revision is because of lack of adequate information regarding Jaika Automobiles & Finance Private Limited performance 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.

Infomerics has been regularly following up with the company to provide the required data including Cash flow, bank statements and other data to monitor its assigned rating to the bank facilities, vide multiple E-mail communications latest by July 11th, 2023 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the company's management has not submitted the essential details. Accordingly, the lenders, investors and other users of this rating are requested to exercise adequate caution while using this rating as this rating may not adequately reflect the current credit risk profile of the company.

Non-cooperation by Issuer

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 rating based on the best available information. Accordingly, the Long/Short term ratings for the bank loan facilities of Jaika automobiles



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and Finance Private Limited aggregating to Rs. 95.39 crore shall be moved in the 'ISSUER NOT COOPERATING' category by Infomerics and the rating be noted as IVR B+/Negative/A4; Issuer Not Co-operating; Based on best available information.

Analytical Approach & Applicable Criteria

Standalone

[Rating Methodology for Trading Company](#)

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

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

About the company

Established in 1954, the Jaika Group began its journey on 2nd November, 1954, with the founding of Jaika Motors in association with Tata Motors. Today, the Group has not only completed 66 years of mutual trust with Tata Motors, expanding the relationship to a number of fields, it has diversified and grown into a conglomerate of 10 companies with a combined annual turnover of over Rs 1931 crores.

JAFPL is a private limited company incorporated on 05th Dec 1981 under the leadership of Mr. Prafulla Kale and was awarded the dealership of Tata Motors Limited (TML) for Raipur. Over the years, JAFPL has grown its size by opening outlets across Chhattisgarh and has nine showrooms and six workshops across the state Raipur, Anjora, Jagdalpur, Balodabazar, Bhilai, Saraipalli, Mahasamund, Balod, Bemetra, etc.

Financials (standalone):

For the Year Ended/As on	(Rs. crore)	
	31-03-2020	31-03-2021
	(Audited)	(Audited)
Total Operating Income	491.91	205.82
EBITDA	18.56	15.50
PAT	0.77	0.62
Total Debt	99.02	116.42
Tangible Net Worth	33.97	34.79



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EBITDA Margin (%)	3.77%	7.53%
PAT Margin(%)	0.16x	0.30x
Overall Gearing Ratio (x)	3.12x	2.59x

*Classification as per Infomerics' standards

Status of non-cooperation with previous CRA: Crisil Ratings in its press release dated Nov 25th, 2022 has continued to place the rating under Issuer Not Cooperating category due to non-availability of information.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 Date : May 26 th , 2022	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1	Fund Based Limits – Term loan	Long Term	32.64	IVR B+/Negative/INC (IVR Single B Plus with Negative Outlook / (ISSUER NOT CO-OPERATING))	IVR BB-/Stable (IVR Double B Minus with Stable Outlook)	-	-
2	Fund Based Limits – Cash Credit	Long Term	34.00	IVR B+/Negative/INC (IVR Single B Plus with Negative Outlook / (ISSUER NOT CO-OPERATING))	IVR BB-/Stable (IVR Double B Minus with Stable Outlook)	-	-
3.	Non-Fund Based Limits – Inventory Funding	Short Term	24.00	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO-OPERATING)	IVR A4; (IVR A Four)	-	-
4	Non-Fund Based Limits – Trade advance	Short Term	4.75	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER	IVR A4; (IVR A Four)	-	-



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Sr. No.	Name of Instrument/ Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
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				NOT CO-OPERATING)			

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.

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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, withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial



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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

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Bank Facilities – Term Loan				32.64	IVR B+/Negative/INC (IVR Single B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)
Long Term Bank Facilities – Cash Credit				34.00	IVR B+/Negative/INC (IVR Single B Plus with Negative Outlook)/(ISSUER NOT CO-OPERATING)
Short Term Bank Facilities – Inventory Funding				24.00	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four; ISSUER NOT CO-OPERATING)
Short Term Bank Facilities – Trade Advance				4.75	IVR A4; ISSUER NOT CO-OPERATING (Pronounced as IVR A Four;



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					ISSUER NOT CO- OPERATING)
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Annexure 2: List of companies considered for consolidated analysis: Not Applicable

Annexure 3: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-Jaika-jul23.pdf>

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