

Press Release

Durgamba Motors

February 08, 2019



Rating Update

Total Bank Facilities Rated*	Rs. 25.00 Cr. #
Long Term Rating	ACUITE D (Downgraded from ACUITE B+/Stable) Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed long-term rating of '**ACUITE D**' (**read as ACUITE D**) on the Rs. 25.00 crore bank facilities of Durgamba Motors. This rating is now an indicative rating and is based on best available information.

The rating downgrade is in view of delays in servicing the debt obligation.

Durgamba Motors (DM) was established in the year 1975 by Mr. Sadananda Chatra and Mr. Krishnananda Chatra as partnership firm. The firm engaged in passenger transportation business and luggage services in the state of Karnataka.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Entities In Services Sector - <https://www.acuite.in/view-rating-criteria-8.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	61.73	54.93	31.10
EBITDA	Rs. Cr.	6.12	4.94	3.37
PAT	Rs. Cr.	-0.34	-0.38	-1.18
EBITDA Margin	(%)	9.91	8.99	10.82
PAT Margin	(%)	-0.54	-0.69	-3.79
ROCE (%)	(%)	10.25	8.69	4.54
Total Debt/Tangible Net Worth	Times	12.25	13.52	8.72
PBDIT/Interest	Times	2.62	2.55	1.74
Total Debt/PBDIT	Times	2.85	3.59	4.62
Gross Current Assets (Days)	Days	51	64	120

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

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
28-Dec-2017	Cash Credit	Long Term	2.25	ACUITE B+ / Stable (Upgraded)
	Term Loan	Long Term	14.68	ACUITE B+ / Stable (Upgraded)
	Term Loan	Long Term	8.07	ACUITE B+ / Stable (Assigned)
14-Sep-2016	Secured Overdraft	Long Term	2.25	ACUITE B / Stable (Reaffirmed)
	Term Loan	Long Term	14.68	ACUITE B / Stable (Reaffirmed)
	Proposed Long Term Loan	Long Term	8.07	ACUITE B / Stable (Assigned)
06-Aug-2015	Secured Overdraft	Long Term	2.25	ACUITE B / Stable (Assigned)
	Term Loan	Long Term	12.75	ACUITE B / Stable (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	2.25	ACUITE D Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	14.68	ACUITE D Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	8.07	ACUITE D Issuer not co-operating*

*The issuer did not co-operate; Based on best available information.

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About Acuité Ratings & Research:

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Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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