

Press Release

SJB Automobiles Private Limited

November 19, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 29.05 Cr.#
Long Term Rating	ACUITE B+ Issuer not co-operating*
Short Term Rating	ACUITE A4 Issuer not co-operating*

#Refer Annexure for details

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

Rating Rationale

Acuité has reviewed the long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short-term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs. 29.05 crore bank facilities of SJB Automobiles Private Limited. This rating is now an indicative rating and is based on best available information.

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/view-rating-criteria-17.htm>
- Trading Entities - <https://www.acuite.in/view-rating-criteria-6.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:

SJB was incorporated in 2009 by Mr. J Balakrishnan. SJB is a Coimbatore-based company engaged as authorised dealer of TVS Motors (two wheelers), Mahindra and Mahindra (Passenger Vehicle and LCV), Mahindra Trucks & Buses Limited (Medium & Heavy commercial vehicle) and JCB. SJB sells them through its showrooms in Coimbatore, Erode and Karur.

About the Rated Entity - Key Financials

	Unit	FY15 (Actual)	FY14 (Actual)	FY13 (Actual)
Operating Income	Rs. Cr.	128.18	134.64	145.67
EBITDA	Rs. Cr.	3.73	6.97	4.04
PAT	Rs. Cr.	-2.53	0.02	0.52
EBITDA Margin	(%)	2.91	5.17	2.77
PAT Margin	(%)	-1.97	0.01	0.35
ROCE (%)	(%)	5.58	10.95	11.18
Total Debt/Tangible Net Worth	Times	5.29	4.37	5.07
PBDIT/Interest	Times	0.72	1.48	1.74

Total Debt/PBDIT	Times	-	-	-
Gross Current Assets (Days)	Days	-	-	-

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

None

Any other information

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

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr)	Ratings/Outlook
26-Sep-2017	Cash Credit	Long Term	4.50	ACUITE B+ Issuer not co-operating*
	Secured Overdraft	Long Term	7.50	ACUITE B+ Issuer not co-operating*
	Term Loan	Long Term	3.00	ACUITE B+ Issuer not co-operating*
	Cash Credit	Short Term	4.00	ACUITE A4 Issuer not co-operating*
	Channel Financing	Short Term	4.00	ACUITE A4 Issuer not co-operating*
	Bank Guarantee	Short Term	6.05	ACUITE A4 Issuer not co-operating*
09-Jun-2016	Cash Credit	Long Term	4.50	ACUITE B+/Stable
	Secured Overdraft	Long Term	7.50	ACUITE B+/Stable
	Term Loan	Long Term	3.00	ACUITE B+/Stable
	Cash Credit	Short Term	4.00	ACUITE A4
	Inventory Funding	Short Term	4.00	ACUITE A4
	Bank Guarantee	Short Term	6.05	ACUITE A4

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.50	ACUITE B+ Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	7.50	ACUITE B+ Issuer not co-operating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	3.00	ACUITE B+ Issuer not co-operating*
Cash Credit	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4 Issuer not co-operating*

Channel Financing	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE A4 Issuer not co-operating*
Bank Guarantee	Not Applicable	Not Applicable	Not Applicable	6.05	ACUITE A4 Issuer not co-operating*

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

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (*Erstwhile SMERA Ratings Limited*) is a full-service Credit Rating 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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