

Press Release

Petal Motocon Private Limited

July 19, 2018

Rating Update



Total Bank Facilities Rated*	Rs. 17.00 Cr. #
Long Term Rating (Indicative)	ACUITE B Issuer not co-operating*
Short Term Rating (Indicative)	ACUITE A4 Issuer not co-operating*

Refer Annexure for details

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

Rating Rationale

Acuite has reviewed long-term rating of '**ACUITE B**' (read as **ACUITE B**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.17.00 crore bank facilities of Petal Motocon Private Limited (PMPL). This rating is now an indicative rating and is based on best available information.

Non-cooperation by the issuer/borrower

Acuite 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 Acuite's policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Trading Entities - <https://www.acuite.in/criteria-trading.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). Acuite endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuite cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the company

Petal Motocon Private Limited (PMPL), incorporated in 2009, is a Gujarat-based company promoted by Mr. Sukhbir Singh Bagga and Mrs. Khushbukaur Bagga. The company is automobile dealer for Hyundai Motors, Ashok Layland, and Nissan Motors. PMPL provides Hyundai Accent, Hyundai i10, Hyundai i20 and Hyundai Stellar. Petal Motocon Limited is a part of Planet Petal Group which is promoted by Mr. Sukhbir Bagga along with his family. The Promoter has been in automobile industry since 2003 with dealership of Yamaha Two-Wheelers. Later, the company had diversified into car auto dealership business of Hyundai Motors India Limited.

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.

About the Rated Entity- Key Financials

	Unit	FY16 (Actual)	FY15 (Actual)	FY14 (Actual)
Operating Income	Rs. Cr.	140.86	150.71	125.88
EBITDA	Rs. Cr.	3.94	0.41	2.52
PAT	Rs. Cr.	0.12	(4.05)	(1.50)
EBITDA Margin	(%)	2.80	0.27	2.00
PAT Margin	(%)	0.09	(2.69)	(1.19)
ROCE (%)	(%)	11.11	(3.02)	10.31
Total Debt/Tangible Net Worth	Times	-7.77	-16.33	-60.27
PBDIT/Interest	Times	1.39	0.12	0.80
Total Debt/PBDIT	Times	6.78	82.07	12.80
Gross Current Assets (Days)	Days	52	65	92

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
26-May-2017	Cash Credit	Long Term	9.00	ACUITE B/Stable (Assigned)
	Dropline Overdraft	Long Term	2.25	ACUITE B/Stable (Assigned)
	Secured Overdraft	Long Term	2.00	ACUITE B/Stable (Assigned)
	Inventory Funding	Long Term	2.00	ACUITE B/Stable (Assigned)
	Proposed Inventory Funding	Short Term	1.75	ACUITE A4 (Assigned)

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings
Cash Credit	Not Applicable	Not Applicable	Not Applicable	9.00	ACUITE B Issuer not co-operating*
Dropline Overdraft	Not Applicable	Not Applicable	Not Applicable	2.25	ACUITE B Issuer not co-operating*
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B Issuer not co-operating*
Inventory Funding	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE B Issuer not co-operating*
Proposed Inventory Funding	Not Applicable	Not Applicable	Not Applicable	1.75	ACUITE A4 Issuer not co-operating*

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

Contacts

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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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