June 12, 2020

Bhatia & Company: Rating continues to remain under issuer Non-Cooperating category, Ratings downgraded based on best available information

Summary of rated instruments

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-Term Fund Based/ Term loan	10.37	10.37	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain under 'Issuer Not Cooperating' category
Long-Term Fund based/ Cash Credit	58.50	58.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain under 'Issuer Not Cooperating' category
Long-Term/short term /Unallocated	7.37	7.37	[ICRA]B+ (Stable)/A4; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable)/A4+ and continues to remain under 'Issuer Not Cooperating' category
Short-Term Non-Fund based	12.00	12.00	[ICRA]A4; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA] A4+ and continues to remain under 'Issuer Not Cooperating' category
Total	**88.24**	**88.24**	

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

^Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Bhatia & Company's performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Bhatia & Company, ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information

The previous detailed rating rationale is available on the following link: Click here

About the company:

BAC was founded as a partnership firm by Late Mr. J C Bhatia1 in 1979 as an agency of Kirloskar Tractors. Subsequently they also obtained dealership of Enfield Motorcycle in 1982-83 in Bhatia Automobiles Private Limited which was subsequently closed and the company forayed into a business wherein it installed CNG cylinders in cars. The company obtained the dealership of MSIL in 1986. Since then, it has received several awards in recognition of their consistent performance. In 2006, it was converted into private limited company.

Key financial indicators: Not Available

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2021)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Rating	FY2020	FY2019	FY2018
					12-Jun- 2020	-	27-Mar-2019	27-Sept-2017
1	Term Loan	Long Term	10.37	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
2	Cash Credit	Long Term	58.50	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING
3	Unallocated	Long Term/ Short Term	7.37	-	[ICRA]B+ (Stable)/A4; ISSUER NOT COOPERATING	-	[ICRA]BB+ (Stable)/A4+; ISSUER NOT COOPERATING	[ICRA]BB+ (Stable)/A4+; ISSUER NOT COOPERATING
4	Bank Guarantee	Short Term	12.00	-	[ICRA]A4; ISSUER NOT COOPERATING	-	[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A4+; ISSUER NOT COOPERATING

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Instrument Details

ISIN No	Instrument	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	10.37	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	58.50	[ICRA]B+ (Stable); ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	7.37	[ICRA]B+ (Stable)/A4; ISSUER NOT COOPERATING
NA	Bank Guarantee	-	-	-	12.00	[ICRA]A4; ISSUER NOT COOPERATING

Source: Bhatia & Company

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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