

## Pandit Automotive Private Limited

	Amount	Rating Action
Long Term Loan	Reduced from 37.6 crore to Rs 22.6 crore	[ICRA]BB- (Stable) reaffirmed
Fund Based Limit	Enhanced from Rs 60.0 Crore to Rs 75.0 crore	[ICRA]BB- (Stable) reaffirmed

*Note: Amount in Rs crore*

ICRA has reaffirmed the long term rating for Rs 22.6 crore (reduced from 37.6 crore) term loan and Rs 75.0 crore (enhanced from 60.0 crore) fund based bank facilities of Pandit Automotive Private Limited (PAPL) at [ICRA]BB- (pronounced ICRA double B minus)<sup>†</sup>. The outlook on long term rating is Stable.

The rating reaffirmation reflects PAPL's long standing position as amongst leading TML dealers in India with diversified presence in Western Maharashtra belt. The rating is however constrained by leveraged capital structure, high working capital intensity, thin cash accruals and large exposure to group companies in the form of unsecured loans & advances which are yielding minimal returns. In 2012-13, company has hived off dealership business at Satara and Sangli (both in Maharashtra) under separate subsidiaries and has provided corporate guarantee for bank facilities of its subsidiaries. The consolidated leverage and capital structure is even weaker than that at standalone level. On account of sharp decline in sales and subsequent negative operating leverage, company has reported net losses in 2014-15 and company's performance is likely to remain tepid in 2015-16 as well. Nevertheless, advances from its real estate project partner provided much needed liquidity support to the company in aforesaid duration. ICRA expects cash accruals from real estate project to provide some relief to the company and ease liquidity pressure, which otherwise is expose to high refinancing risk given its low cash accruals and sizeable debt repayment obligations over near to medium term.

### Company Profile

Pandit Automotive Private Ltd. (PAPL) was incorporated in 1980. The present business was taken over in the year 1987 from Automotive Services, a proprietary firm established in 1956, then run by Mr. R. H. Pandit. PAPL is in the business of retailing cars / commercial vehicles for TATA Motors Limited (TML) and spare parts. The Company retails the whole range of vehicles produced by TML in three districts in Maharashtra viz. Pune, Satara and Sangli.

### Recent Result

During first nine months of current fiscal i.e. 9m 2015-16, PAPL reported an operating profit of Rs 27.2 crore on operating revenue of Rs 504.0 crore.

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<sup>†</sup> For complete rating definition please refer to ICRA website [www.icra.in](http://www.icra.in) or any of the ICRA Rating Publications.



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