

Pashupati Traders

Instrument	Rated Amount (in Rs. crore)	Rating Action
Fund Based – Cash Credit	9.74	[ICRA]B+ assigned
Fund Based – Term Loan	0.85	[ICRA]B+ assigned
Unallocated	0.41	[[ICRA]B+/ [ICRA]A4 assigned

ICRA has assigned a long term rating of [ICRA]B+ (pronounced ICRA B plus) to the Rs 9.74 crore¹ cash credit facility, Rs. 0.85 crore term loan facilities and Rs. 0.41 crore unallocated facility of Pashupati Traders (PT/ “the Concern”)². The unallocated limit of Rs 0.41 crore has also been rated on the short term scale to which ICRA has assigned a [ICRA]A4 (pronounced ICRA A four) rating.

Rating Rationale

The assigned ratings reflect PT’s weak financial risk profile characterized by high gearing level, depressed coverage indicators and a high working capital intensity of operation due to higher inventory holding requirements, adversely impacting the liquidity position of the concern, as also reflected by high utilization of working capital limits. The ratings are also constrained by thin margins on auto dealership business on account of low bargaining power and margins being controlled by OEMs. The ratings also consider the declining domestic market share of Chevrolet in India owing to lack of new launches in the recent past, adversely impacting the operating profile of the concern. The ratings further consider the vulnerability of the sales to the cyclicity of passenger vehicle and commercial vehicle industry and the intense competition from other OEM dealerships in the region thereby limiting growth to an extent. The ratings are, however, supported by the long track record and experience of the promoters in automobile dealership business spanning for over two decades. Also, the diversified portfolio of the vehicles, i.e. passenger vehicles and light commercial vehicles, provides cushion against business downturns in any single segment. The concern’s revenue stream remain diversified for both passenger vehicles and light commercial vehicles across sales, services and spares thereby lending stability to revenues to an extent. ICRA notes that despite de-growth in new car sales volume during 2014-15, the concern’s revenues remained supported by increase in revenues from ancillary sources such as service income, sale of spares, incentives from Chevrolet and Ashok Leyland and commission from financiers and insurance companies.

Concern Profile

Incorporated in 1993 as partnership firm and later reconstituted as sole proprietorship concern in 2011, Pashupati Traders is engaged in automobile dealership of Chevrolet Sales India Pvt Ltd (CSIPL) for sale & service of passenger vehicles and Ashok Leyland Limited (ALL) for sale & service of light commercial vehicles. PT operates through single unit for both the dealership, though showroom for both is located at different floors in Dibrugarh, Assam. The concern has also entered into dealership of Mahindra & Mahindra Limited for sales of Mahindra Powerol DG Sets from Jan 2015 onwards.

Recent Results

The concern posted a net profit of Rs. 0.20 crore on an operating income of Rs. 26.15 crore during FY15; as against a net profit of Rs. 0.28 crore on an operating income of Rs. 32.54 crore in FY14.

February 2016

¹ 100 lakh = 1 crore = 10 million

² For complete rating scale and definitions, refer ICRA’s website (www.icra.in) or other ICRA rating publications



For further details please contact:

Analyst Contacts:

Mr. Jayanta Roy, (Tel. No. +91-33-22876617 / 22800008)
jayanta@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91 33 7150 1100)
jayantac@icraindia.com

© Copyright, 2016, ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: **9871221122**

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: **9821086490**

Email: shivakumar@icraindia.com

3rd Floor, Electric Mansion
Appasaheb Marathe Marg, Prabhadevi
Mumbai—400025,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: **+91 9903394664**

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: **989986490**

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax:
+91-79-25569231

Pune**Mr. L. Shivakumar**

Mobile: **989986490**

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 210, CTS 3202, Range
Hills Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-
25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: **9845022459**

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B. Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500