

February 12, 2020

## Cargo Motors (Guj.) Pvt. Ltd.: Rating continues to remain under issuer Non-Cooperating category, Long term rating downgraded based on best available information

### Summary of rated instruments

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based- Cash credit	10.00	10.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and continues to remain under 'Issuer Not Cooperating' category
<b>Total</b>	<b>10.00</b>	<b>10.00</b>	

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

### Rationale

The rating downgrade is because of lack of adequate information regarding Cargo Motors (Guj.) Pvt. Ltd.'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 Cargo Motors (Guj.) Pvt. Ltd., ICRA has been trying to seek information from the entity 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:

Cargo Motors (Gujarat) Pvt Ltd was established in the year 1983 by Mr. Pravesh Nanda at Ahmedabad, Gujarat. The company was one of the first authorized Maruti Suzuki India Ltd (Maruti) dealers in the state of Gujarat having operation across Ahmedabad, Baroda, Rajkot, Gandhidham and Bhuj. The company had a long association with Maruti upto January 2007 when it voluntarily surrendered the dealership across all locations. As a Maruti dealer, the company had facilities for sales, service and spares of Maruti vehicles. Subsequently in May 2007, the company commenced the dealership operations for PV segment of Ford India Pvt. Ltd. in Ahmedabad, Baroda & Gandhidham and in Gandhinagar from Jan-12. In 2010, the company acquired the dealership for the PV segment of General Motors in Gandhidham.

### Status of non-cooperation with previous CRA: Not applicable

### Key financial indicators:

	FY2018	FY2019
Operating Income (Rs. crore)	235.1	225.2
PAT (Rs. crore)	3.8	1.9
OPBDITA/ OI (%)	3.5%	2.1%
RoCE (%)	17%	9.9%
Total Outside Liabilities/Tangible Net Worth (times)	2.1	2.3
Total Debt/OPBDIT (times)	2.0	2.6
Interest Coverage (times)	3.8	2.1
DSCR (excl. STD/prepayments)	2.9	1.9

Source: MCA

### Any other information: None

### Rating history for past three years

All figures in Rs. Crore

	Instrument	Current Rating (FY2020)				Rating History for the Past 3 Years			
		Type	Amount Rated	Amount Outstanding	Rating		FY2019	FY2018	FY2017
					12-Feb-2020	27-Jun-2019			
1	Cash Credit	Long Term	10.00	-	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING	[ICRA]BBB(Stable) ISSUER NOT COOPERATING	-	[ICRA]BBB(Stable) ISSUER NOT COOPERATING	[ICRA]BBB (stable)

### 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](http://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	Cash Credit	NA	NA	NA	10.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING

Source: Cargo Motors (Guj.) Pvt. Ltd.

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For more information, visit [www.icra.in](http://www.icra.in)

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