

February 19, 2020

Pibco Enterprises Pvt. Ltd.: Rating downgraded and continues to remain under Non Cooperating category.

Summary of rated instruments

| Instrument [^] | Previous Rated Amount (Rs. crore) | Current Rated Amount (Rs. crore) | Rating Action |
|-------------------------|-----------------------------------|----------------------------------|---|
| Cash Credit | 6.00 | 6.00 | [ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB- (Stable) and Rating continues to remain under the 'Issuer Not Cooperating' category |
| Total | 6.00 | 6.00 | |

^{*}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 Pibco Enterprises 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 Pibco Enterprises Pvt. Ltd., 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](#)

Key financial indicators:

| | FY2018 | FY2019 |
|------------------------------|--------|--------|
| Operating Income (Rs. crore) | 91.11 | 92.60 |
| PAT (Rs. crore) | 0.39 | 0.42 |
| OPBDIT/ OI (%) | 2.01% | 2.70% |
| RoCE (%) | 10.96% | 12.81% |
| Interest Coverage (times) | 1.60 | 1.37 |
| Total Debt/OPBDITA (times) | 8.03 | 5.97 |

Source: MCA.

About the company:

Incorporated in 2003, PEPL is engaged in the business of automobile dealership for two wheelers of Hero MotoCorp Limited (HML) and commercial vehicles as well as passenger vehicles of Force Motors Limited (FML). PEPL operates through one showroom of HML and two showrooms of FML, and two workshops of HML and FML each in the state of Assam. PEPL also operates through a network of eight sub-dealers for two wheelers, spread over the surrounding areas of Guwahati. Apart from the sale of new vehicles, the company is also engaged in the sale of spare parts, accessories and servicing of vehicles.

Status of non-cooperation with previous CRA

| CRA | Status | Date of Release |
|-----------|--|--------------------|
| BRICKWORK | BWR BB- (Stable); Issuer Not Cooperating; Reaffirmed | September 27, 2019 |

Any other information

Not applicable.

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 |
| | | | | | 19-Feb-2020 | 19-Nov-2018 | 23-Aug-2017 | - |
| 1 | Cash Credit | Long Term | 6.00 | - | [ICRA]B+ (Stable); ISSUER NOT COOPERATING | [ICRA]BB- (Stable); ISSUER NOT COOPERATING | [ICRA]BB- (Stable); 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 | Cash Credit | NA | NA | NA | 6.00 | [ICRA]B+ (Stable) ISSUER NOT COOPERATING |

Source: Pibco Enterprises Pvt. Ltd.

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About ICRA Limited:

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