

## Nippon Motor Corporation Private Limited

October 12, 2022

### Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	64.94	CARE BB-; Stable; ISSUER NOT COOPERATING* (Double B Minus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB; Stable; (Double B; Outlook: Stable)
Short Term Bank Facilities	180.00	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>244.94</b> <b>(Rs. Two Hundred Forty-Four Crore and Ninety-Four Lakhs Only)</b>		

*Details of instruments/facilities in Annexure-1*

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 04, 2021, placed the rating(s) of Nippon Motor Corporation Private Limited (NMCPL) under the 'issuer non-cooperating' category as NMCPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. NMCPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated June 20, 2022, June 30, 2022, July 10, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

**Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).**

The ratings assigned to the bank facilities of NMCPL have been revised on account of non-availability of requisite information. The ratings also factored decline in scale of operations as well as operating profitability and deterioration in debt coverage parameters during FY20 and FY21 compare to FY19.

### Detailed description of the key rating drivers

Please refer to PR dated [August 04, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Nippon Motor Corporation Private Limited (NMCPL) was incorporated on January 7, 1999 by Mr M.A.M Babu Moopan. During FY11 Nippon Towers with a built-up area of 3, 00,000 sq. ft was built which has integrated showroom, service centre, customer assistance centre and administrative office at Cochin. As of November 30, 2017 NMCPL, has 21 branches under operation with 3S (Sales, Service and Spare parts) under 13 location, 2S under 5 location and 1S under 3 locations and a driving school in the state of Kerala.

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://www.careedge.in) and other CARE Ratings Ltd.'s publications

Brief Financials (Rs. crore)	FY20 (A)	FY21(A)	FY22(Prov.)	H1FY23(Prov.)
Total operating income	843.91	673.69	NA	NA
PBILDT	13.55	6.76	NA	NA
PAT	0.89	3.65	NA	NA
Overall gearing (times)	2.06	1.60	NA	NA
Interest coverage (times)	0.71	0.41	NA	NA

A: Audited; Prov: Provisional; NA: Not Available;

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History for last three years:** Please refer Annexure-2

**Covenants of rated instrument/facility:** Annexure 3

**Complexity level of various instruments rated for this company:** Annexure 4

**Annexure-1: Details of instruments/facilities**

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	May 2024	58.94	CARE BB-; Stable; ISSUER NOT COOPERATING*
Fund-based - ST-Working Capital Limits		-	-	-	175.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - ST-Bank Overdraft		-	-	-	5.00	CARE A4; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	6.00	CARE BB-; Stable; ISSUER NOT COOPERATING*

\*Issuer did not cooperate; Based on best available information

**Annexure-2: Rating history for the last three years**

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Term Loan	LT	58.94	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (04-Aug-21)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (15-Jun-20) 2)CARE BB+; Stable (04-May-20)	1)CARE BBB-; Stable (16-Jul-19)
2	Fund-based - ST-Working Capital Limits	ST	175.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (04-Aug-21)	1)CARE A4+; ISSUER NOT COOPERATING* (15-Jun-20) 2)CARE A4+ (04-May-20)	1)CARE A3 (16-Jul-19)
3	Fund-based - ST-Bank Overdraft	ST	5.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (04-Aug-21)	1)CARE A4+; ISSUER NOT COOPERATING* (15-Jun-20) 2)CARE A4+ (04-May-20)	1)CARE A3 (16-Jul-19)
4	Fund-based - LT-Cash Credit	LT	6.00	CARE BB-; Stable; ISSUER NOT COOPERATING*	-	1)CARE BB; Stable; ISSUER NOT COOPERATING* (04-Aug-21)	1)CARE BB+; Stable; ISSUER NOT COOPERATING* (15-Jun-20) 2)CARE BB+; Stable (04-May-20)	1)CARE BBB-; Stable (16-Jul-19)

\*Issuer did not cooperate; Based on best available information

**Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities:** Not Applicable

**Annexure-4: Complexity level of various instruments rated for this company**

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - ST-Bank Overdraft	Simple
4	Fund-based - ST-Working Capital Limits	Simple

**Annexure-5: Bank lender details for this company**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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**About CARE Ratings Limited:**

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

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