

## Batas Brothers Private Limited: Ratings downgraded to [ICRANP] LD/D and placed under ‘Issuer Not Cooperating’ category with notice of withdrawal

January 03, 2024

### Summary of rating action

Instrument (Amounts in NPR Million)	Rated Limits	Rating Action
Long-term loan limits	367	[ICRANP] LD ‘Issuer Not Cooperating*’; downgraded from [ICRANP] LB+@ <sup>1</sup> and moved to ‘Issuer not cooperating’ category with notice of withdrawal
Short-term loan limits	2,425	[ICRANP] D ‘Issuer Not Cooperating*’; downgraded from [ICRANP] A4@ <sup>1</sup> and moved to ‘Issuer not cooperating’ category with notice of withdrawal.
<b>Total</b>	<b>2,792</b>	

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

<sup>1</sup>The symbol ‘@’ denotes Rating Watch with Negative Implications. Please refer [here](#) for further details on rating watch and its implications.

### Rating action

ICRA Nepal has downgraded the long-term loan rating of Batas Brothers Private Limited (BBPL) to [ICRANP] LD (pronounced ICRA NP L D) from [ICRANP] LB+@ (pronounced ICRA NP L B Plus) and also downgraded the short-term loan rating to [ICRANP] D (pronounced ICRA NP D) from [ICRANP] A4@ (pronounced ICRA NP A Four). The rating action has been taken in accordance with the [Default Recognition Policy](#) of ICRA Nepal, following the delays in serving the bank obligations by BBPL for a period exceeding 30 days. The ratings have also been placed under ‘Issuer Not Cooperating’ category with notice of ratings withdrawal.

### Rationale

The ratings downgrade mainly factors in the delays in servicing of the debt obligations by BBPL for a period of over 30 days. As reported, there has been an ongoing delay in servicing of debt obligations for a period of over 30 days. Accordingly, the rating action has been taken based on ICRA Nepal’s [Default Recognition Policy](#). Going forward, a track record of the timely debt servicing will be the key rating sensitivity.

ICRA Nepal assesses whether the information available about the entity is commensurate with its rating and reviews the same as per Credit Rating Regulations 2011 as well as ICRA Nepal’s ‘Withdrawal/Suspension Policy’ available at [www.icranepal.com](http://www.icranepal.com).

As part of its process and in accordance with its rating agreement with BBPL, ICRA Nepal has been trying to seek complete information from the entity to monitor its performance, but despite repeated requests by ICRA Nepal, the entity’s management remained mostly non-cooperative till the extended deadline for surveillance. In the absence of requested complete information and in line with the aforesaid policy of ICRA Nepal, a rating view has been taken on the entity based on the recently available information regarding the delays in servicing the bank obligations by BBPL.

**Analytical approach:** For arriving at the ratings, ICRA Nepal has applied its rating methodologies as indicated below.

**Links to the applicable criteria:**

[Corporate Credit Rating Methodology](#)

[Issuer Not Cooperating Guidelines](#)

**Link to previous rating rationale:**

[Rationale Batas Brothers Private Limited - BLR Surveillance July 2022](#)

## About the company

Established in 2015, Batas Brothers Private Limited (BBPL) is the authorised regional dealer of Maruti Suzuki branded passenger vehicles (PVs), Mahindra branded PVs/commercial vehicles/tractor and TVS branded two-wheelers (2Ws) for Gandaki and Dhaulagiri region. Prior to its establishment, erstwhile Batas Brothers (a proprietorship firm) which was established in August 1997 started the dealership of Mahindra vehicles and spare parts. In 2015, BBPL took over the business of the firm, which then merged with Batas Automobiles Private Limited (dealer of Maruti Suzuki vehicles) and ASB Automobiles Private Limited (dealer of Mahindra tractors and TVS 2Ws) to form the current day BBPL. When last rated, the company was promoted by three individuals from the Batas Family viz. Mr. Ananda Raj Batas, Mr. Shanta Raj Batas and Mr. Bipendra Raj Batas, in equal proportion. BBPL is a part of the Batas Organisation, which has a track record of more than 20 years in the Nepalese automotive and allied sectors.

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## About ICRA Nepal Limited:

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For more information, visit [www.icranepal.com](http://www.icranepal.com)

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