

November 21, 2015

Facility	Amount (Rs. Crore)	Rating
Cash Credit	4.00	SMERA D (Assigned)
Term Loan	0.54	SMERA D (Assigned)

SMERA has assigned a rating of '**SMERA D**' (read as **SMERA D**) to the Rs.4.54 crore bank facility of KLN Motor Agencies Private Limited (KLN). The rating reflects delays in servicing of debt obligations on account of a weak liquidity position. The rating is also constrained by the highly fragmented and competitive industry that the company operates in. However, the rating draws support from the experienced management.

Rating Sensitivity Factors

- Curing of default.
- Ability to scale up operations while maintaining comfortable liquidity position.

About the Company

KLN, incorporated in 2007, is a Chennai-based company promoted by K.Chandrasekar, Rajesh Ganapathy, and K. Annapurna. The company is an authorized dealer for passenger vehicles of General Motors (GM) India Private Limited (Chevrolet) in Chennai.

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