

Press Release

KLN Motor Agencies Private Limited

March 18, 2020



Rating Update

Total Bank Facilities Rated*	Rs.6.28 Cr. #
Long Term Rating	ACUITE D Downgraded; Issuer not co-operating*

Refer Annexure for details

* The issuer did not co-operate; based on best available information.

Acuité has reviewed the long term rating of **“ACUITE B” (read as ACUITE B) to “ACUITE D” (read as ACUITE D)** on the Rs.6.28 crore bank facilities of KLN Motor Agencies Private Limited. This rating is now an indicative rating and is based on best available information.

Acuite has relied on publicly available information with regards to the account conduct.

KLN Motor Agencies Private Limited (KLN) was incorporated in 2007 by K.Chandrasekar, Rajesh Ganapathy, K.Praveen and Ramasubramanian.V. KLN is an authorized dealer for passenger vehicles of General Motors India Private Limited (GM) for the brand Chevrolet in Chennai. The company has two showrooms and three service stations located in Kilpauk (Showroom), Ambattur (Service centre) and Ekkattuthangal (3S facility).

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

Acuité believes that information risk is a critical component in such ratings, and non-cooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/view-rating-criteria-52.htm>
- Trading Entities- <https://www.acuite.in/view-rating-criteria-61.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavored to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated attempts.

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Up to last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
23-Aug-19	Secured Overdraft	Long Term	4.00	ACUITE B Issuer not co-operating*
	Term Loan	Long Term	0.28	ACUITE B Issuer not co-operating*
	Proposed Bank Facility	Long Term	2.00	ACUITE B Issuer not co-operating*
01-Jun-18	Secured Overdraft	Long Term	4.00	ACUITE B/Stable (Upgraded)
	Term Loan	Long Term	0.28	ACUITE B/Stable (Upgraded)
	Proposed Bank Facility	Long Term	2.00	ACUITE B/Stable (Upgraded)
29-Mar-17	Secured Overdraft	Long Term	4.00	ACUITE B-/Stable (Upgraded)
	Term Loan	Long Term	0.28	ACUITE B-/Stable (Upgraded)
	Term Loan	Long Term	0.26	ACUITE B-/Stable (Withdrawn)
	Proposed Bank Facility	Long Term	2.00	ACUITE B-/Stable (Assigned)

*The issuer did not co-operate; based on best available information

#Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings
Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D Downgraded; Issuer Not Cooperating*
Term Loan	Not Applicable	Not Applicable	Not Applicable	0.28	ACUITE D Downgraded; Issuer Not Cooperating*
Proposed Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE D Downgraded; Issuer Not Cooperating*

*The issuer did not co-operate; based on best available information

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II

norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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