

Press Release

KLN Motor Agencies Private Limited

September 12, 2022



Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	6.28	ACUITE D Reaffirmed Issuer not co-operating*	-
Total Outstanding Quantum (Rs. Cr)	6.28	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuite has reaffirmed the long-term rating of '**ACUITE D**' (read as **ACUITE D**) on the Rs. 6.28 crore bank facilities of KLN Motor Agencies Private Limited (KLN). The rating continues to be flagged as "Issuer Not-Cooperating" and is based on the best available information.

About the Company

KLN Motor Agencies Private Limited (KLN), is a Chennai based company. It 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).

About the Group

Kailash Trading Corporation (KTC) established in 2001, by Mr. K. Chandrasekhar and Mr. K. Annapoorna. The company is engaged in trading of plastics, chemicals, and additives. KTC caters to the South Indian market and its products are used in Automobiles, Electrical, Electronics, Consumer Appliances, Textiles, Paints, and Printing Ink.

Non-cooperation by the issuer/borrower:

Acuite 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 the due date.

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

This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuite's policies.

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 requests.

Rating Sensitivity

"No information provided by the issuer / available for Acuite to comment upon."

Material Covenants

Not Applicable

Liquidity Position

"No information provided by the issuer / available for Acuite to comment upon."

Outlook

Not Applicable

Other Factors affecting Rating

None

Status of non-cooperation with previous CRA

None

Any other information

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

Applicable Criteria

- Trading Entities: <https://www.acuite.in/view-rating-criteria-61.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on Complexity Levels of the Rated Instrument

<https://www.acuite.in/view-rating-criteria-55.htm>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
14 Jun 2021	Term Loan	Long Term	0.28	ACUITE D (Issuer not co-operating*)
	Secured Overdraft	Long Term	4.00	ACUITE D (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	2.00	ACUITE D (Issuer not co-operating*)
18 Mar 2020	Term Loan	Long Term	0.28	ACUITE D (Downgraded and Issuer not co-operating*)
	Secured Overdraft	Long Term	4.00	ACUITE D (Downgraded and Issuer not co-operating*)
	Proposed Bank Facility	Long Term	2.00	ACUITE D (Downgraded and Issuer not co-operating*)
23 Aug 2019	Secured Overdraft	Long Term	4.00	ACUITE B (Issuer not co-operating*)
	Proposed Bank Facility	Long Term	2.00	ACUITE B (Issuer not co-operating*)
	Term Loan	Long Term	0.28	ACUITE B (Issuer not co-operating*)
01 Jun 2018	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*)
29 Mar 2017	Term Loan	Long Term	0.28	ACUITE B Stable (Upgraded from ACUITE B- Stable)
	Term Loan	Long Term	0.26	ACUITE B- Stable (Withdrawn)
	Proposed Bank Facility	Long Term	2.00	ACUITE B Stable (Assigned)
	Secured Overdraft	Long Term	4.00	ACUITE B Stable (Upgraded from ACUITE B- Stable)
09 Mar 2016	Cash Credit	Long Term	4.00	ACUITE B- Stable (Upgraded from ACUITE D)
	Term Loan	Long Term	0.54	ACUITE B- Stable (Upgraded from ACUITE D)
21 Nov 2015	Cash Credit	Long Term	4.00	ACUITE D (Assigned)
	Term Loan	Long Term	0.54	ACUITE D (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	2.00	ACUITE D Reaffirmed Issuer not co- operating*
Union Bank of India	Not Applicable	Secured Overdraft	Not Applicable	Not Applicable	Not Applicable	4.00	ACUITE D Reaffirmed Issuer not co- operating*
Union Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	0.28	ACUITE D Reaffirmed Issuer not co- operating*

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About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & 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. Acuité has assigned 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 Kanjurmarg, Mumbai.

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