

Press Release

Rani Motors

January 13, 2022



Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	34.50	ACUITE B+ Downgraded Issuer not co-operating*	
Total	34.50	-	-

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE B+**' (read as **ACUITE single B plus**) from '**ACUITE BB-**' (read as **ACUITE double B minus**) on the Rs. 34.50 crore bank facilities of Rani Motors(RM). The rating continues to be flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Rani Motors (RM) is an authorised dealer of Maruti Suzuki since 1995. The firm deals in passenger vehicles of Maruti Suzuki through its two showrooms, three retail outlets and two workshops in Shillong (Meghalaya). The firm is led by Ms. Inoris Rani, Proprietor with more than two decades of experience in the automobile industry.

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 non-cooperation by the issuer along with an 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). Acuite endeavored to gather information about the entity/industry from the public domain. Therefore, Acuite 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

None.

Liquidity Position

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

Outlook

Not Applicable.

Status of non-cooperation with previous CRA

Not Applicable.

Any other information

Acuite 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>

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
13 Oct 2020	Inventory Funding	Long Term	13.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Cash Credit	Long Term	12.00	ACUITE BB- (Downgraded and Issuer not co-operating*)
	Inventory Funding	Long Term	9.50	ACUITE BB- (Downgraded and Issuer not co-operating*)
06 Aug 2019	Inventory Funding	Long Term	9.50	ACUITE BB Stable (Reaffirmed)
	Inventory Funding	Long Term	13.00	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	12.00	ACUITE BB Stable (Reaffirmed)
30 Jul 2019	Inventory Funding	Long Term	5.00	ACUITE BB Stable (Reaffirmed)
	Cash Credit	Long Term	12.00	ACUITE BB Stable (Reaffirmed)
	Inventory Funding	Long Term	9.50	ACUITE BB Stable (Reaffirmed)
12 Dec 2018	Inventory Funding	Long Term	9.50	ACUITE BB (Issuer not co-operating*)
	Cash Credit	Long Term	7.00	ACUITE BB (Issuer not co-operating*)
	Inventory Funding	Long Term	5.00	ACUITE BB (Issuer not co-operating*)
	Proposed Long Term Loan	Long Term	5.00	ACUITE BB (Issuer not co-operating*)
16 Oct 2017	Inventory Funding	Long Term	9.50	ACUITE BB Stable (Assigned)
	Cash Credit	Long Term	7.00	ACUITE BB Stable (Reaffirmed)
	Inventory Funding	Long Term	5.00	ACUITE BB Stable (Reaffirmed)

	Proposed Long Term Loan	Long Term	5.00	ACUITE BB Stable (Assigned)
07 Sep 2016	Cash Credit	Long Term	16.50	ACUITE BB Stable (Assigned)
	Inventory Funding	Long Term	5.00	ACUITE BB Stable (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Union Bank of India	Not Applicable	Cash Credit	Not Applicable	Not Applicable	Not Applicable	12.00	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
Axis Bank	Not Applicable	Inventory Funding	Not Applicable	Not Applicable	Not Applicable	13.00	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)
State Bank of India	Not Applicable	Inventory Funding	Not Applicable	Not Applicable	Not Applicable	9.50	ACUITE B+ Downgraded Issuer not co-operating* (from ACUITE BB-)

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About Acuité Ratings & Research

Acuité Ratings & Research 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 8,850 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 Kanjurmarg, Mumbai.

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