

Press Release

Lanson Motors Private Limited

April 19, 2022



Rating Downgraded and Issuer not co-operating

| Product | Quantum (Rs. Cr) | Long Term Rating | Short Term Rating |
|---------------------------------------|---------------------|---|----------------------|
| Bank Loan Ratings | 170.00 | ACUITE BB- Downgraded Issuer not co-operating* | - |
| Total Outstanding Quantum (Rs. Cr) | 170.00 | - | - |
| Total Withdrawn Quantum (Rs. Cr) | 0.00 | - | - |

Rating Rationale

Acuite has downgraded the long-term rating to '**ACUITE BB-**' (read as **ACUITE double B minus**) from '**ACUITE BB**' (read as **ACUITE double B**) on the Rs.170 Cr bank facilities of Lanson Motors Private Limited (LMPL). The rating is flagged as "Issuer Not-Cooperating" and is downgraded on account of information risk.

About the Company

Chennai based, LMPL was incorporated in 1998 by Mr. M Lankalingam and his wife Mrs. Reeta Lankalingam. Currently, the company is managed by Mr. M Lankalingam and son Mr. Sivanka Lankalingam. The company is an authorized dealer for Toyota Kirloskar Motor Private Limited (TKMPL) in North Tamil Nadu and Puducherry. The company operates on 3S model (sales, service and spares) and also runs Toyota driving school.

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 unwillingness to provide information could be a sign of potential deterioration in its overall credit quality.

This rating is 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 ratings is based.

Rating Sensitivities

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

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Material Covenants

None

Liquidity Position

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

Outlook

None

Key Financials:

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

Status of non-cooperation with previous CRA

CRISIL vide its press release dated 15 March 2021, has mentioned the rating of LMPL to 'CRISIL B+/Stable/A4' (Issuer Not Cooperating; Reaffirmed) as on 15 March 2021.

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

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

Rating History

| Date | Name of Instruments/Facilities | Term | Amount (Rs. Cr) | Rating/Outlook |
|-------------|--------------------------------|-----------|-----------------|---------------------------------|
| 05 Feb 2021 | Inventory Funding | Long Term | 11.00 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.28 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 0.73 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 16.21 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 11.76 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Long Term | 3.00 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 6.87 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Long Term | 25.00 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 0.66 | ACUITE BB Stable (Reaffirmed) |
| | Proposed Bank Facility | Long Term | 21.66 | ACUITE BB Stable (Reaffirmed) |
| | Cash Credit | Long Term | 53.50 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Long Term | 5.00 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.33 | ACUITE BB Stable (Reaffirmed) |

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|-------------|------------------------|------------|-------|---------------------------------|
| | Inventory Funding | Long Term | 3.00 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.05 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 0.36 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 0.59 | ACUITE BB Stable (Reaffirmed) |
| 07 Nov 2019 | Proposed Bank Facility | Long Term | 27.32 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Long Term | 53.50 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Long Term | 3.00 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Long Term | 25.00 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.48 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 0.36 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Long Term | 5.00 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 12.14 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 1.74 | ACUITE BB Stable (Reaffirmed) |
| | | Long | | ACUITE BB Stable (Reaffirmed) |
| 24 Aug 2018 | Inventory Funding | Term | 4.00 | (Reaffirmed) |
| | Term Loan | Long Term | 16.79 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Long Term | 11.00 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 8.67 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 2.10 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 2.02 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Short Term | 23.65 | ACUITE A4+ (Reaffirmed) |
| | Inventory Funding | Short Term | 10.00 | ACUITE A4+ (Reaffirmed) |
| | Inventory Funding | Short Term | 53.50 | ACUITE A4+ (Reaffirmed) |
| | Term Loan | Long Term | 2.60 | ACUITE BB Stable (Reaffirmed) |
| | Term Loan | Long Term | 12.48 | ACUITE BB Stable (Reaffirmed) |
| | Inventory Funding | Short Term | 5.00 | ACUITE A4+ (Reaffirmed) |
| | Inventory Funding | Short Term | 11.00 | ACUITE A4+ (Reaffirmed) |
| | Inventory Funding | Short Term | 5.00 | ACUITE A4+ (Reaffirmed) |
| | Term Loan | Long Term | 18.15 | ACUITE BB Stable (Reaffirmed) |

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|-------------|------------------------|------------|-------|-------------------------------|
| | Inventory Funding | Short Term | 24.50 | ACUITE A4+ (Reaffirmed) |
| 31 May 2017 | Trade Advance | Short Term | 5.00 | ACUITE A4+ (Assigned) |
| | Inventory Funding | Short Term | 39.00 | ACUITE A4+ (Assigned) |
| | Inventory Funding | Short Term | 5.00 | ACUITE A4+ (Assigned) |
| | Trade Advance | Short Term | 1.00 | ACUITE A4+ (Assigned) |
| | Inventory Funding | Short Term | 17.90 | ACUITE A4+ (Assigned) |
| | Inventory Funding | Short Term | 11.00 | ACUITE A4+ (Assigned) |
| | Inventory Funding | Short Term | 25.00 | ACUITE A4+ (Assigned) |
| | Term Loan | Long Term | 44.84 | ACUITE BB Stable (Assigned) |
| | Proposed Bank Facility | Short Term | 1.26 | ACUITE A4+ (Assigned) |
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Annexure - Details of instruments rated

| Lender's Name | ISIN | Facilities | Date Of Issuance | Coupon Rate | Maturity Date | Quantum (Rs. Cr.) | Rating |
|--------------------------------------|----------------|----------------------------------|------------------|----------------|----------------|-------------------|---|
| State Bank of India | Not Applicable | Cash Credit | Not Applicable | Not Applicable | Not Applicable | 53.50 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Axis Bank | Not Applicable | Inventory Funding | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| HDFC Bank Ltd | Not Applicable | Inventory Funding | Not Applicable | Not Applicable | Not Applicable | 3.00 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Sundaram Finance Ltd. | Not Applicable | Inventory Funding | Not Applicable | Not Applicable | Not Applicable | 3.00 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Toyota Financial Services India Ltd. | Not Applicable | Inventory Funding | Not Applicable | Not Applicable | Not Applicable | 25.00 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| LEXUS-Toyota Financial Services | Not Applicable | Inventory Funding | Not Applicable | Not Applicable | Not Applicable | 11.00 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Not Applicable | Not Applicable | Proposed Long Term Bank Facility | Not Applicable | Not Applicable | Not Applicable | 21.66 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Yes Bank Ltd | Not Applicable | Term Loan | Not available | Not available | Not available | 6.87 | ACUITE BB- Downgraded Issuer not co- |

| | | | | | | | |
|--------------------------------------|----------------|-----------|---------------|---------------|---------------|-------|---|
| | | | | | | | operating* (from ACUITE BB) |
| Axis Bank | Not Applicable | Term Loan | Not available | Not available | Not available | 8.05 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Toyota Financial Services India Ltd. | Not Applicable | Term Loan | Not available | Not available | Not available | 1.33 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Toyota Financial Services India Ltd. | Not Applicable | Term Loan | Not available | Not available | Not available | 0.66 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Toyota Financial Services India Ltd. | Not Applicable | Term Loan | Not available | Not available | Not available | 0.59 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Kotak Mahindra Prime Limited | Not Applicable | Term Loan | Not available | Not available | Not available | 11.76 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| Kotak Mahindra Prime Limited | Not Applicable | Term Loan | Not available | Not available | Not available | 16.21 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| ICICI Bank Ltd | Not Applicable | Term Loan | Not available | Not available | Not available | 0.73 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |
| ICICI Bank Ltd | Not Applicable | Term Loan | Not available | Not available | Not available | 1.28 | ACUITE BB- Downgraded Issuer not co-operating* (from ACUITE BB) |

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|-----------|-------------------|-----------|------------------|------------------|------------------|------|---|
| | | | | | | | from ACUTE |
| Axis Bank | Not Applicable | Term Loan | Not available | Not available | Not available | 0.36 | ACUTE /BB- Downgraded Issuer not co- operating* (from ACUTE BB) |

Contacts

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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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