

Press Release

Southern Motorcycles

February 10, 2020

Rating Withdrawn



Total Bank Facilities Rated	Rs. 26.50 Cr.#
Long Term Rating	ACUITE BB+ (Withdrawn; Issuer not co-operating*)

Refer Annexure for details

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

Rating Rationale

Acuité has withdrawn the long-term rating of '**ACUITE BB+**' (read as **ACUITE double B plus**) on the Rs.26.50 crore bank facilities of Southern Motorcycles(SM). The rating withdrawal is in accordance with Acuité's policy on withdrawal of rating. The rating continues to be flagged as "Issuer Not-Cooperating".

The rating is being withdrawn on account of request received from the company and NOC received from the banker.

SM is a partnership firm established in 1993 by Mr. Manjit Singh (Managing Partner) and his wife, Ms. Harleen Kaur. The firm is an authorised stockist of spare parts of Hero Moto Corp Limited (HMCL) in Chennai (Tamil Nadu) since inception. In February 2017, the firm diversified into dealership of two wheelers of HMCL, and currently has three showrooms in Chennai. The partners also have another partnership firm, 'Southern Motorcycles - Madurai' established in June 2011 which is into distribution of spares of HMCL.

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.

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 endeavoured 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.

Liquidity Position

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

Rating Sensitivities

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

About the Rated Entity - Key Financials

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

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

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.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
10-Jun-2020	Cash Credit	Long Term	25.00	ACUITE BB+ (Downgraded & Indicative)
	Term Loan	Long Term	1.40	ACUITE BB+ (Downgraded & Indicative)
	Proposed Term Loan	Long Term	0.10	ACUITE BB+ (Downgraded & Indicative)
09-Apr-2019	Cash Credit	Long Term	25.00	ACUITE BBB-/Stable (Reaffirmed)
	Term Loan	Long Term	1.40	ACUITE BBB-/Stable (Reaffirmed)
	Proposed Term Loan	Long Term	0.10	ACUITE BBB-/Stable (Reaffirmed)
22-Jan-2018	Cash Credit	Long Term	25.00	ACUITE BBB-/Stable (Assigned)
	Term Loan	Long Term	1.40	ACUITE BBB-/Stable (Assigned)
	Proposed Term Loan	Long Term	0.10	ACUITE BBB-/Stable (Assigned)

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	25.00	ACUITE BB+ (Withdrawn; Issuer not co-operating*)
Term Loan	Not Available	Not Applicable	Not Available	1.40	ACUITE BB+ (Withdrawn; Issuer not co-operating*)
Proposed Term Loan	Not Applicable	Not Applicable	Not Applicable	0.10	ACUITE BB+ (Withdrawn; Issuer not co-operating*)

Contacts

Analytical	Rating Desk
<p>Aditya Gupta Vice President- Corporate and Infrastructure Sector Tel: 022-49294041</p> <p>aditya.gupta@acuite.in</p> <p>Aishwarya Phalke Senior Analyst - Rating Operations Tel: 022-49294031</p> <p>aishwarya.phalke@acuite.in</p>	<p>Varsha Bist Senior Manager - Rating Desk Tel: 022-49294011</p> <p>rating.desk@acuite.in</p>

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 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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