

## Press Release

### Archana Motors Private Limited

April 14, 2021

#### Rating Update



|                                     |   |
|-------------------------------------|---|
| <b>Total Bank Facilities Rated#</b> | Rs.14.95 Cr.  |
| <b>Long Term Rating</b>             | ACUITE D<br>(Downgraded from ACUITE B-)<br>Issuer not co-operating* |

#Refer Annexure for details

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

#### Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE B-**' (read as **ACUITE B minus**) on the Rs.14.95 Cr. bank facilities of Archana Motors Private Limited (AMPL). The rating continues to be flagged as an 'Issuer Not-Cooperating' based on best available information.

#### Rationale for Downward revision in ratings

The downward revision in rating is on account of the initiation of liquidation process against the company by operational creditor based on the National Company Law Tribunal(NCLT) order dated January 10, 2020.

#### About the Entity

Thrissur based AMPL is part of the Archana Group incorporated in August 12, 2011 by Mr. Shibu Job Cheeran and his family. AMPL is an authorized dealer of Tata Motors Limited (Tata) commercial vehicles and is engaged in the sale of new and used cars, servicing of vehicles, sale of spare parts and accessories.

#### 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 the due date.

Acuité 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.

#### Applicable Criteria

- Default Recognition – <https://www.acuite.in/view-rating-criteria-52.htm>
- Service Sector Entities – <https://www.acuite.in/view-rating-criteria-50.htm>
- Trading Entities – <https://www.acuite.in/view-rating-criteria-61.htm>
- 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>

#### 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 has 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                    |
|-------------|---------------------------------|-----------|------------------|------------------------------------|
| 23-Mar-2021 | Cash Credit                     | Long Term | 11.50            | ACUITE B- (Issuer not-cooperating) |
|             | Ad-hoc limits (Fund Based)      | Long Term | 3.45             | ACUITE B- (Issuer not-cooperating) |
| 27-Dec-2019 | Cash Credit                     | Long Term | 11.50            | ACUITE B- (Issuer not-cooperating) |
|             | Ad-hoc limits (Fund Based)      | Long Term | 3.45             | ACUITE B- (Issuer not-cooperating) |
| 06-Oct-2018 | Cash Credit                     | Long Term | 11.50            | ACUITE B- (Issuer not-cooperating) |
|             | Ad-hoc limits (Fund Based)      | Long Term | 3.45             | ACUITE B- (Issuer not-cooperating) |

### Annexure – Details of instruments rated

| Name of the Facilities     | Date of Issuance | Coupon Rate    | Maturity Date  | Size of the Issue (Rs. Cr.) | Ratings   |
|----------------------------|------------------|----------------|----------------|-----------------------------|---|
| Cash Credit                | Not Applicable   | Not Applicable | Not Applicable | 11.50                       | ACUITE D (Downgraded from ACUITE B-) Issuer not co-operating* |
| Ad-hoc limits (Fund Based) | Not Applicable   | Not Applicable | Not Applicable | 3.45                        | ACUITE D (Downgraded from ACUITE B-) Issuer not co-operating* |

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

### Contacts

| Analytical   | Rating Desk  |
|--|--|
| Aditya Gupta<br>Vice President – Corporate Ratings<br>Tel: 022 – 49294041<br><a href="mailto:aditya.gupta@acuite.in">aditya.gupta@acuite.in</a><br><br>Aditya Sahu<br>Analyst – Rating Operations<br>Tel: 022 – 49294055<br><a href="mailto:aditya.sahu@acuite.in">aditya.sahu@acuite.in</a> | Varsha Bist<br>Senior Manager – Rating Desk<br>Tel: 022 – 49294011<br><a href="mailto:rating.desk@acuite.in">rating.desk@acuite.in</a> |

**About Acuite Ratings & Research:**

Acuite 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 8,665 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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