

Novelty Reddy And Reddy Motors Private Limited

October 13, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	10.00	CARE C; ISSUER NOT COOPERATING* (Single C; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	1.50	CARE A4; ISSUER NOT COOPERATING* (A Four; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	11.50 (Rs. Eleven Crore and Fifty Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated August 30, 2021, placed the rating(s) of Novelty Reddy And Reddy Motors Private Limited (NRRMPL) under the 'issuer non-cooperating' category as NRRMPL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. NRRMPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 16, 2022, July 26, 2022, August 05, 2022.

In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating(s).

Detailed description of the key rating drivers

Please refer to PR dated [August 30, 2021](#)

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

About the Company

Novelty Reddy & Reddy Motors Private Ltd (NRRMPL) was incorporated in 2007, by Mr. G. Rama Krishna Reddy. NRRM is an authorized dealer for Maruti Suzuki India Ltd (MSIL) based in Bhimavaram and Tanuku (both in Andhra Pradesh). The company has dealership for selling entire range of passenger cars, spares and accessories of MSIL. NRRM belongs to Reddy and Reddy Group which has diverse interests including trading of prawns feed, authorized dealership of MSIL and Hero Honda.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22(Prov.)	Q1FY23(Prov.)
Total operating income	68.26	77.93	NA	NA
PBILDT	3.16	3.62	NA	NA
PAT	0.31	0.34	NA	NA
Overall gearing (times)	2.35	2.39	NA	NA
Interest coverage (times)	1.09	1.26	NA	NA

A: Audited; Prov: Provisional; NA: Not Available

Status of non-cooperation with previous CRA: Brickwork has continued the ratings assigned to the bank facilities of NRRMPL to the 'issuer not-cooperating' category vide press release dated July 19, 2022 on account its inability to carryout review in the absence of best available information from the company.

Any other information: Not Applicable

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument/facility: Annexure 3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating Assigned along with Rating Outlook
Fund-based - LT-Working Capital Limits		-	-	-	10.00	CARE C; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	1.50	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; Based on best available information

Annexure-2: Rating history for the last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022	Date(s) and Rating(s) assigned in 2020-2021	Date(s) and Rating(s) assigned in 2019-2020
1	Fund-based - LT-Working Capital Limits	LT	10.00	CARE C; ISSUER NOT COOPERATING*	-	1)CARE C; ISSUER NOT COOPERATING* (30-Aug-21)	1)CARE C; ISSUER NOT COOPERATING* (17-Jul-20)	1)CARE B+; Stable; ISSUER NOT COOPERATING* (15-May-19)
2	Non-fund-based - ST-BG/LC	ST	1.50	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4; ISSUER NOT COOPERATING* (30-Aug-21)	1)CARE A4; ISSUER NOT COOPERATING* (17-Jul-20)	1)CARE A4; ISSUER NOT COOPERATING* (15-May-19)

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of the covenants of the rated instruments/facilities: Not Applicable

Annexure-4: Complexity level of various instruments rated for this company

Sr. No.	Name of Instrument	Complexity Level
1	Fund-based - LT-Working Capital Limits	Simple
2	Non-fund-based - ST-BG/LC	Simple

Annexure-5: Bank lender details for this company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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With an established track record of rating companies over almost three decades, we follow a robust and transparent rating process that leverages our domain and analytical expertise backed by the methodologies congruent with the international best practices. CARE Ratings Limited has had a pivotal role to play in developing bank debt and capital market instruments including CPs, corporate bonds and debentures, and structured credit.

Disclaimer

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