

## Kanchana Automobiles Private Limited

September 14, 2022

### Ratings

Facilities/Instruments	Amount (Rs crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	12.00	CARE B+; Stable; ISSUER NOT COOPERATING* (Single B Plus; Outlook: Stable; ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
<b>Total Bank Facilities</b>	<b>12.00</b> <b>(Rs Twelve Crore Only)</b>		

Details of instruments/facilities in Annexure-1

### Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated July 07, 2021, placed the rating(s) of Kanchana Automobiles Private Limited (KAPL) under the 'issuer non-cooperating' category as KAPL 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. KAPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated May 23, 2022, June 02, 2022, June 12, 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 [July 07, 2021](#)

**Analytical approach:** Standalone

### Applicable Criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

### About the Company

Kanchana Automobiles Pvt Ltd (KAPL) was incorporated in 2005 by Mr. Prasadraj Kanchan and Mrs. Sukanya Kanchan. The company is engaged in the business of automobile dealership for Hyundai Motor India Limited (HMIL). The company has 5 showrooms and 3 service centers located at Udupi, Puttur, Mangalore, Sirsi and Karwar. The promoter also has dealerships for TVS Motors (3 wheelers) under Kanchana Motors, Ashok Leyland Limited under Kanchana Automotive and Honda Motorcycles under Kanchana Udyog.

Brief Financials (Rs. crore)	FY20 (A)	FY21 (A)	FY22 (Prov.)	Q1FY23 (Prov.)
Total operating income	176.89	220.29	NA	NA
PBILDT	2.82	4.51	NA	NA
PAT	0.50	2.38	NA	NA
Overall gearing (times)	5.10	3.17	NA	NA
Interest coverage (times)	2.79	1.18	NA	NA

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

**Status of non-cooperation with previous CRA:** CRISIL has continued the rating assigned to the bank facilities of KAPL into Issuer Not Cooperating category vide press release dated July 21, 2021 on account of its inability to carry out a review in the absence of the requisite information from the company.

**Any other information:** Not Applicable

<sup>1</sup>Complete definition of the ratings assigned are available at [www.careedge.in](http://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-Electronic Dealer Financing Scheme		-	-	-	12.00	CARE B+; Stable; ISSUER NOT COOPERATING*

*\*Issuer did not cooperate; Based on best available information*

**Annexure-2: Rating History of 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-Electronic Dealer Financing Scheme	LT	12.00	CARE B+; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable; ISSUER NOT COOPERATING* (07-Jul-21)	1)CARE BB-; Stable; ISSUER NOT COOPERATING* (06-May-20)	-

*\*Issuer did not cooperate; Based on best available information*

**Annexure 3: Covenants of rated instrument/facility:** Not Applicable

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

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Electronic Dealer Financing Scheme	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.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careedge.in](http://www.careedge.in)**