

MN Automobile Private Limited

May 27, 2022

Ratings

| Facilities/Instruments | Amount (Rs. crore) | Rating ¹ | Rating Action |
|---------------------------|--|--|---|
| Long Term Bank Facilities | 22.00 | CARE B; Stable; ISSUER NOT COOPERATING* (Single B; Outlook: Stable ISSUER NOT COOPERATING*) | Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE B+; Stable; (Single B Plus; Outlook: Stable) |
| Total Facilities | 22.00 (Rs. Twenty-Two Crore Only) | | |

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd. had, vide its press release dated March 12, 2021, placed the rating(s) of MN Automobile Private Limited (MAPL) under the 'issuer non-cooperating' category as MAPL 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. MAPL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated January 26, 2022, February 05, 2022, February 15, 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).

The ratings assigned to the bank facilities of MAPL have been revised on account of non-availability of requisite information. The revision in ratings also considers the ongoing operating losses as well as an increase in overall debt in FY21 compared to FY20.

Detailed description of the key rating drivers

Please refer to PR dated [March 12, 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

Delhi based MN Automobile Private Limited (formerly known as Sikka Automobile Private Limited) is a private limited company, incorporated on September 10, 1997 by Mr. Harvinder Singh Sikka and Mr. Gurinder Singh Sikka. During June 2017, the company was taken over by Mr. Sumit Malik, Ms. Richa Malik and Mr. Aditya Nanchal. MN operates as an authorized distributor of Hyundai Motor India Limited (HMIL) in Mayapuri Industrial Area, Delhi.

| Brief Financials (Rs. crore) | 31-03-2020 (A) | 31-03-2021(A) | FY22 (Prov.) |
|------------------------------|----------------|---------------|--------------|
| Total operating income | 141.12 | 165.89 | NA |
| PBILDT | -1.67 | -0.86 | NA |
| PAT | 0.08 | 0.43 | NA |
| Overall gearing (times) | 9.64 | 10.12 | NA |
| Interest coverage (times) | NM | NM | NA |

A: Audited; Prov.; Provisional; NM – Not meaningful, NA: Not Available.

²Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE publications

*Issuer did not cooperate; Based on best available information

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

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

Covenants of rated instrument/facility: Please refer Annexure-3

Complexity level of various instruments rated for this company: Please refer 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-Vendor financing | | - | - | - | 22.00 | 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) & Rating(s) assigned in 2022-2023 | Date(s) & Rating(s) assigned in 2021-2022 | Date(s) & Rating(s) assigned in 2020-2021 | Date(s) & Rating(s) assigned in 2019-2020 |
| 1 | Fund-based - LT-Vendor financing | LT | 22.00 | CARE B; Stable; ISSUER NOT COOPERATING* | - | - | 1)CARE B+; Stable; ISSUER NOT COOPERATING* (12-Mar-21) | 1)CARE BB-; Stable (23-Mar-20) |

*Issuer did not cooperate; Based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / 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-Vendor financing | 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 Ratings Ltd. 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:

Established in 1993, CARE Ratings Ltd is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India (SEBI), it has also been acknowledged as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). With an equitable position in the Indian capital market, CARE Ratings Limited provides a wide array of credit rating services that help corporates to raise capital and enable investors to make informed decisions backed by knowledge and assessment provided by the company.

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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Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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