

June 24, 2024

Kanchan Motors: Continues to remain under issuer Non-Cooperating category

Summary of rating action

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Short Term – Fund Based – Cash Credit	10.00	10.00	[ICRA]D;ISSUER NOT COOPERATING*; Rating continues to remain under 'Issuer Not Cooperating' category
Total	10.00	10.00	

*Issuer did not cooperate; based on best available information

[^]Instrument details are provided in Annexure-1

Rationale

ICRA has kept the Short-Term rating for the Bank facilities of Kanchan Motors in the 'Issuer Not Cooperating' category. The rating is denoted as "[ICRA]D;ISSUER NOT COOPERATING".

As part of its process and in accordance with its rating agreement with Kanchan Motors, ICRA has been trying to seek information from the entity so as to monitor its performance. Further, ICRA has been sending repeated reminders to the entity for payment of surveillance fee that became due. Despite multiple requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, the rating has been continued to the "Issuer Not Cooperating" category. The rating is based on the best available information.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Rating sensitivities, Key Financial Indicators : [Click here](#) ICRA is unable to provide the latest information because of non-cooperation by the entity.

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Policy on Default recognition Corporate Credit Rating Methodology Rating Methodology – Automobile Dealers
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Established in 2002, Kanchan Motors is a proprietorship firm engaged dealership of Light Commercial Vehicles (LCV) and Passenger Vehicles (PV) of Tata Motors Limited (TML) in Nashik, Maharashtra. The firm enjoys exclusive dealership for the TML's LCVs in Nashik though faces competition from other TML dealers for the PV segment in the region. Additionally, the firm also provides auxiliary services like sale of spare parts, accessories, insurance services, workshop and financing of vehicles among others. The firm is headquartered in Nashik city. The firm has an outlet in Aurangabad which has 3S (sales, spare and services) facility while other are either 1S or 2S outlets. Also, promoters of the group operate an IOCL petrol pump in Nashik.

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2025)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. Crore)	Amount Outstanding (Rs. Crore)	Date & Rating in	Date & Rating in FY 2024	Date & Rating in FY 2022	Date & Rating in FY 2021
					June 24, 2024	Apr 27, 2023	Mar 22, 2022	Jan 19, 2021
1	Fund Based – Cash Credit	Short Term	10.00	-	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]D; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Instrument	Complexity Indicator
Short Term – Fund Based – Cash Credit	Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: [Click Here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Short Term – Fund Based – Cash Credit	-	-	-	10.00	[ICRA]D; ISSUER NOT COOPERATING

Source: Kanchan Motors

Annexure-2: List of entities considered for consolidated analysis: Not Applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

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Branches



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