

January 14, 2020

Shantesha Motors Private Limited: Continues to remain in Non-Cooperating category, Rating downgraded based on best available information

Summary of rated instruments

Instrument [^]	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	9.75	9.75	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB (Stable) and continues to remain in the 'Issuer Not Cooperating' category
Total	9.75	9.75	

^{*}Issuer did not cooperate; based on best available information.

[^]Instrument details are provided in Annexure-1

Rationale

The ratings are downgrade because of lack of adequate information regarding Shantesha Motors Private Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by the rated entity". The lenders, investors and other market participants are thus advised to exercise appropriate caution while using this rating as the rating may not adequately reflect the credit risk profile of the entity, despite the downgrade.

As part of its process and in accordance with its rating agreement with Shantesha Motors Private Limited ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: [Click here](#)

About the company

Incorporated in 1999, Shantesha Motors Private Limited (SMPL) is a family owned business with Mr. Vivek C Kamlani being the Managing Director. The company is engaged in passenger car dealership for Maruti Suzuki India Limited (MSIL), offering 3S (Sales, service and spares) facility and driving school facilities in the Belgaum district of Karnataka. The company currently operates five showrooms, seven workshops, and two stock yards in Belgaum.

Key financial indicators (Audited)

	FY 2018	FY 2019
Operating Income (Rs. crore)	165.1	178.7
PAT (Rs. crore)	4.9	4.9
OPBDIT/OI (%)	3.6%	4.0%
RoCE (%)	32.3%	20.9%
Total Outside Liabilities/Tangible Net Worth (times)	0.8	1.0
Total Debt/OPBDIT (times)	2.1	3.2
Interest Coverage (times)	5.7	4.2
DSCR	7.0	5.4

Source: MCA

Status of non-cooperation with previous CRA

Not applicable

Any other information

Not applicable

Rating history for past three years

SNo	Name of Instrument	Type	Current Rating (FY2020)			Rating History for the Past 3 years			
			Rated amount	Amount outstanding	Month-year & Rating	Month- year and Rating in			
			(Rs. crore)		January 14, 2020	FY2019	FY2018	FY2017	
1	Cash credit	Long-term	9.75	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING*	July 31, 2018	-	January 06, 2017	[ICRA]BBB (Stable)

*Issuer did not co-operate; based on best available information; All figures in Rs. Crore

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1 Instrument Details

ISIN No	Instrument	Type	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Cash credit	Long-term	-	-	-	9.75	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*

*Issuer did not co-operate; based on best available information; All figures in Rs. Crore

Source: Shantesha Motors Private Limited

Analyst Contacts

Mr. K Ravichandran
+91 44 4596 4301
ravichandran@icraindia.com

R Srinivasan
+91 44 45964315
r.srinivasan@icraindia.com

Sahabuddin Khan
+ 033-71501129
sahabuddin.khan@icraindia.com

Sruthi Vinesh
+91-80-49225513
sruthi.vinesh@icraindia.com

Relationship Contact

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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ICRA Limited

Corporate Office

Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002

Tel: +91 124 4545300

Email: info@icraindia.com

Website: www.icra.in

Registered Office

1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001

Tel: +91 11 23357940-50

Branches

Mumbai + (91 22) 24331046/53/62/74/86/87

Chennai + (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,

Kolkata + (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,

Bangalore + (91 80) 2559 7401/4049

Ahmedabad+ (91 79) 2658 4924/5049/2008

Hyderabad + (91 40) 2373 5061/7251

Pune + (91 20) 2556 0194/ 6606 9999

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