



Rating Rationale

Safari Bikes Ltd

21 April 2017

Brickwork Ratings reaffirms the Long term and short term ratings for the Bank Loan Facilities of Rs.20.00 Cr of Safari Bikes Ltd.

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating ^	
	Previous	Present		Previous	Present
Fund Based Cash Credit	11.00	11.00*	Long Term	BWR BB+ Outlook:Stable	BWR BB+ Outlook:Stable Reaffirmation
Non Fund Based LC	9.00	9.00*	Short Term	BWR A4+	BWR A4+
Total	20.00	Rs. 20.00 Crores (Rupees Twenty Crores Only)			

*The company has been sanctioned interchangeability of Rs. 1.00 crs from LC limit to CC limit

^ Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

Rating: Reaffirmation

Rating sensitivities:

The rating assigned continues to derive strength from the qualified and experienced promoters, established clientele, and increase in net revenue. However, the rating is constrained by low accrual net profit margin, low tangible networth, negative interest coverage, stretched liquidity position and , elongated cash conversion cycle

Rating Outlook: Stable

BWR believes the **Safari Bikes Ltd's** business risk profile will be maintained over the medium term. The 'Stable' outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

About the Company

Safari Bikes Ltd (SBL) was established in the year 1994 in Ludhiana, as safari International by its founder Chairman Mr. R.D Sharma. In 1998, it was reconstituted into private limited company. It is a flagship of the Safari Group. The company is engaged in manufacturing of bicycles, bicycle parts and E- Rickshaws and supplies to both domestic as well as export markets. The company has limited presence in the retail segment and its markets its bicycles under the brand Hi Bird, Safari etc.

Company Financial Performance

The company's total operating income stood at Rs. 41.91 Crores with PAT of Rs.0.39 Crores in FY16 against total operating income of Rs. 37.24 Crores with PAT of Rs. 0.33 Crores in FY15.

Rating History for the last three years (including withdrawn/suspended ratings)

Sl. No	Instrument/Facility	Current Rating (2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
Fund Based		Long Term	11.00	BWR BB+ Outlook : Stable	BWR BB+ Outlook : Stable	BWR BB+ Outlook : Stable	Not Rated
1.	Cash Credit						
Non-Fund Based		Short Term	9.00	BWR A4+	BWR A4+	BWR A4+	Not Rated
2	LC						

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Manufacturing Industry](#)



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For print and digital media

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Note on complexity levels of the rated instrument:

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at www.brickworkratings.com/download/ComplexityLevels.pdf Investors queries can be sent to info@brickworkratings.com.

About Brickwork Ratings

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services. NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

DISCLAIMER

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