



Rating Rationale

Anika Motors Private Limited

31 March 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs. 10.00 Crs. of Anika Motors Private Limited.

Particulars

Facility Rated	Amount (₹ Cr)	Tenure	Rating*
	Present		Present
Fund Based Term Loan	10.00	Long Term	BWR B+ (Pronounced as BWR B Plus) Outlook: Stable
Total	10.00	(Rupees Ten Crores Only)	

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

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has essentially relied upon the Anika Motors Private Limited's project report, projected financials up to FY21, publicly available information and information /clarifications provided by the management.

The rating has factored, inter alia, the experience of the promoters in the Automobiles industry, existing customer base and favorable location of the unit. However, the ratings are constrained by project execution risk associated with new project implementation, moderate projected scale of operations and highly fragmented industry.

Going forward, ability of the company to implement the project successfully as per the schedule and commence its operations on time, achieve projected sales and profitability in the competitive environment would be key rating sensitivities.

Rating Outlook: Stable

BWR believes the Anika Motors Private Limited'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

Anika Motors Private Limited was incorporated on 31 August 2015 at Vishakhapatnam, Andhra Pradesh. The company is establishing a Show Room cum Workshop at Atmakur, Guntur District for

JLR cars sales and service. Mr. Kambampati Jairam, Mr. Sabbineni Sivani and Mr. Sabbineni Vishnu Teja are the promoters of the Company. Sri Kambampati Jairam and Sri Sabbineni Vishnu Teja are the Directors on the Board of the company. Mr. Kambampati Jairam is associated with several other companies which are in to distribution of Automobiles. The construction of the showroom is about to be completed and the company is planning to start its business operations in the last week of March, 2017.

Financial Performance

The company has projected revenue of Rs.129.20 Crs. and profitability of Rs. 2.17 Crs. in its first year of operations.

Rating History for the last three years: (including withdrawn/suspended ratings)

Sr. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type	Amount (Rs Crs)	Rating	2016	2015	2014
	Fund Based Term Loan	Long Term	10.00	BWR B+ (Pronounced as BWR B Plus) Outlook: Stable	-	-	-

Status of non-cooperation with previous CRA (if applicable): NA

Hyperlink/Reference to Applicable Criteria

- [General Criteria](#)
- [Approach to Financial Ratios](#)
- [Service Sector](#)

For any other criteria obtain hyperlinks from website

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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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