



Rating Rationale

Annamalai Motors Pvt Ltd

8 December 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Rs.10.92 Cr of Annamalai Motors Pvt Ltd

Particulars

Facility	Amount (₹ Crs)	Tenure	Rating
<u>Fund Based</u> Cash Credit	7.00	Long Term	BWR B (Pronounced BWR Single B) Outlook: Stable
Term Loan	3.92		
Total	10.92 (INR Ten Crores and Ninety two lakhs 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 audited financial results up to FY17 and projected results up to FY18 of Annamalai Motors Pvt Ltd, publicly available information and information provided by the management.

The rating inter alia, factors promoters experience in the industry and substantial increase in operating revenue. However, the rating is constrained by company's modest scale of operations and less profit margin. Increase in profitability and its adaptability to overcome any adverse effects with the industry in a competitive environment shall remain as the key rating sensitivities.

Rating Outlook: Stable

BWR believes the **Annamalai Motors Pvt Ltd** 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

Annamalai Motors Pvt. Ltd., (AMPL), part of Lakshmi Group, Thanjavur, incorporated on 29 November 2015, with its first Renault' standard Sales & Service facility in Thanjavur and has now grown its presence with 2 more outlets in Cuddalore & Pudukottai. Employed more than 100 Sales and after sales Staff and Technicians on all verticals. Renault India awarded the best New Dealer (on completion of first full year of operations) for 2016 and Best Dealer (Diamond Club - for Motor Year 2016 in Cat D cities).

Key Financial Indicators

Particulars	FY16 (Actuals)	FY17 (Actuals)
Total Income (In Crs)	10.07	41.59
EBIDTA (In Crs)	-0.16	-1.00
PAT (In Crs)	-0.26	0.13
Net worth (In Crs)	-0.16	0.57
Total Debt / TNW (Times)	-19.54	20.16
Current Ratio (Times)	0.98	0.96

Rating History for the last three years: (including withdrawn/suspended ratings)

Sl. No	Instrument/Facility	Rating History					
		Type (Long Term/Short Term)	Amount (Rs Crs) Present	Rating	2016	2015	2014
1.	Cash Credit	Long Term	7.00	BWR B Outlook: Stable	NA		
2.	Term Loan		3.92				
Total			10.92	(INR Ten Crores and ninety two lakhs only)			

Hyperlink/Reference to applicable Criteria

- [General Criteria](#)
- [Short Term Debt](#)
- [Approach to Financial Ratios](#)

Analysts	Media
Varadarajan R analyst@brickworkratings.com	media@brickworkratings.com
	Relationship Contact bd@brickworkratings.com
Phone: 1-860-425-2742	

**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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