



Rating Rationale

Future Cars Private Limited

5th May 2017

Brickwork Ratings assigns ratings for the Bank Loan Facilities of Future Cars Private Limited.

Particulars

Facility Rated	Amount (Rs Crs)	Tenure	Rating*
Fund Based			
Cash Credit	2.00	Long Term	BWR B- (Pronounced as BWR Single B Minus) Outlook-Stable
Inventory Funding (TATA)	3.50		
Inventory Funding (FIAT)	2.00		
Term Loan I*	0.40		
Term Loan II*	0.89		
Total	8.79	(INR Eight Crores & Seventy Nine Lakhs Only)	

*Term Loan O/s as on 30-3-2017, Please refer to BWR website www.brickworkratings.com/ for definition of the ratings.

Rationale/Description of Key Rating Drivers/ Rating sensitivities:

The rating, inter alia, takes into account long and established track record of the promoters in the industry, strong brand name and distribution network. The ratings are, however, constrained by below average financial risk profile of the company marked by stressed liquidity and weak debt protection metrics.

Going forward, the ability of the company to increase its scale of operations significantly, improve its profitability margins and manage any mismatch in cash flows for repayment of its debt obligations shall be the key rating sensitivities.

About the Company

Future Cars Pvt Ltd was incorporated in year 2008 and its registered office is at plot no-3 & 4, near Sai Palace Hotel, Mumbai Agra Highway, Nashik-422009. The Company is the authorized dealer of TATA and FIAT passenger vehicles; the company was initially dealing in UV and



SUV range of vehicles manufactured by TATA motors. Both the showrooms, i.e. TATA and FIAT are located in Thane and Nashik.

Company Financial Performance

The company has reported total revenue from operations of Rs 1.76 Crs in FY16 as against Rs 9.43 Crs in FY15. The tangible net worth of the company stood at Rs 3.15 Crs as on 31-3-2016.

Status of non-cooperation with previous CRA (if applicable): Reason and comments: Not Applicable

Any other information: NIL

Rating History for the last three years:

Sl. No.	Instrument/Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term /Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1	Cash Credit	Long Term	2.00	BWR B- with Stable Outlook	NA	NA	NA
2	Inventory Funding (TATA)	Long Term	3.50	BWR B- with Stable Outlook			
3	Inventory Funding (FIAT)	Long Term	2.00	BWR B- with Stable Outlook			
4	Term Loan I*	Long Term	0.40	BWR B- with Stable Outlook			
5	Term Loan II*	Long Term	0.89	BWR B- with Stable Outlook			

*Term Loan O/s as on 30-3-2017, NA: Not Available

Hyperlink/Reference to applicable Criteria

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

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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

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.