



SMERA RATINGS LIMITED

Win Cars Private Limited (WCPL)

Rating Rationale

July 24, 2015

Facilities	Amount (Rs. Crore)	Rating
Term Loan	1.50	SMERA B/Stable (Assigned)
Cash credit	5.00	SMERA B/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B' (read as SMERA B)** to the above mentioned bank facilities of Win Cars Private Limited (WCPL). The outlook is '**Stable**'. The rating is constrained by the short track record of operations, below average financial risk profile and high competition in the vehicle distribution segment. However, the rating derives comfort from the company's relationship with Nissan Cars Limited, experienced management, commendable performance shown in a short span of time.

Outlook: Stable

SMERA believes that the company will benefit over the medium term from its relationship with Nissan Cars Limited and the promoters experience in the dealership business. The outlook may be revised to 'Positive' if the company's scale of operations increases substantially, while achieving higher profitability increasing the net worth base. Conversely, the outlook may be revised to 'Negative' if the company fails to achieve the scalability amidst increasing competition or if the financial risk profile deteriorates owing to deteriorating profitability and debt protection metrics along with higher-than-expected increase in debt-funded working capital requirements.

About the Company

WCPL, incorporated in 2012, is a Nagercoil-based company promoted by Mr. Alwin. The company is an authorized dealer of Nissan Cars. WCPL also derives portion of revenue from sale of spares and services.

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