

**FOR IMMEDIATE RELEASE**

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ICRA assigns LBB and A4 ratings to bank facilities of Tristar Cars Private Limited

ICRA has assigned an LBB (pronounced L double B) rating to the Rs. 12.5 crore¹ long term bank facilities (Rs. 6 crore cash credit, Rs. 4.85 crore term loan and Rs. 1.65 crore proposed facilities completely interchangeable with short term) of Tristar Cars Private Limited (TCPL, the Company)[†]. The outlook on the long term rating is stable. ICRA has also assigned an A4 (pronounced A4) rating to the Rs. 7.4 crore short term bank lines (Rs. 1.5 crore Bank Guarantee and Rs. 5.9 crore fund based facilities) of TCPL.

The assigned ratings take into account the strong performance of the company in its first year of operations, established position and long track record of the promoters and the financial and operational support derived thereof. ICRA also notes the strong prospects of the passenger car industry as evidenced by the strong performance in car sales the last few months. The ratings are however constrained by the small size and scale of operations, thin margins which are characteristic of the business and limited growth potential at its current region of operations.

Company Profile:

TCPL was incorporated in 2008 by Mr. Kamal Kothari with a registered office at Nagpur. It started its operations in FY2010. Part of the Tristar group, it is engaged in the dealership of cars manufactured by MSIL and has a showroom at Chandrapur, 200 kms from Nagpur. A part of its income is also derived from the spares, accessories and services that it provides to its customers.

Recent results:

For the three months ending June 2010, the company recorded sales of Rs. 17.82 crore with OPBDITA of Rs. 0.73 crore and PAT of Rs. 0.17 crore reflecting OPBDITA and PAT margins of 4.1% and 1.0% respectively.

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ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

¹100 lakh = 1 crore = 10 million

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.