

March 12, 2024

## Eram Motors Private Limited: Ratings Withdrawn

### Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term fund based- working capital facilities	59.50	59.50	[ICRA]BB+ (Stable); withdrawn
Long Term fund based – term loans	9.86	9.86	[ICRA]BB+ (Stable); withdrawn
Long Term – unallocated limits	0.14	0.14	[ICRA]BB+ (Stable); withdrawn
Short Term non fund based – Bank Guarantee	9.00	9.00	[ICRA]A4+; withdrawn
<b>Total</b>	<b>78.50</b>	<b>78.50</b>	

\*Instrument details are provided in Annexure I

### Rationale

ICRA has withdrawn the rating assigned to the bank facilities of Eram Motors Private Limited (EMPL/the company) at the request of the company and based on the No Objection Certificate received from the lender, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA does not have information to suggest that the credit risk has changed since the time the rating was last reviewed.

The Key rating drivers, Liquidity position, Rating sensitivities have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale withdrawn is available at the following link: [Click here](#).

### Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	<a href="#">Corporate Credit Rating Methodology</a> <a href="#">Policy on withdrawal of Credit Ratings</a> <a href="#">Automobile dealers</a>
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on EMPL's standalone financial statements

### About the company

Eram Motors Private Limited (EMPL / the company) is an authorised dealer of passenger utility vehicle and light commercial vehicles for Mahindra & Mahindra (M&M) in seven districts of Kerala, including Kannur, Kasargod, Kozhikode, Malappuram, Palakkad, Thrissur and Wayanad districts. EMPL has nine showrooms and service outlets, ten only showroom outlets and six only service outlets in these districts. The company is a part of the larger Eram Group, founded by Dr. Sideek Ahmed. The Group is based in the Gulf Cooperation Council (GCC) region and is a diversified conglomerate with 40 companies operating across oil & gas, power & utilities, travel, food, healthcare and automotive sectors. It has presence in Asia, Europe and United States.

### Key financial indicators (Audited):

Standalone	FY2022	FY2023
Operating Income (Rs. crore)	457.8	578.8
PAT (Rs. crore)	12.8	16.2
OPBDITA/OI	4.1%	3.9%
PAT/OI	2.8%	2.8%
Total Outside Liabilities/Tangible Net Worth (times)	4.7	2.5
Total Debt/OPBDITA (times)	5.5	3.9
Interest Coverage (times)	5.8	5.2

Source: Company, ICRA Research, PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs crore; Financial ratios in the report are ICRA adjusted figures and may not be directly comparable with results reported by the company in some instances

### Status of non-cooperation with previous CRA

CRA	Status	Date of Release
CRISIL	CRISIL/B/Stable; ISSUER NOT COOPERATING	November 28, 2023

Any other information: None

## Rating history for past three years

Instrument	Type	Current rating (FY2024)		Chronology of rating history for the past 3 years				
		Amount rated (Rs. crore)	Amount outstanding as of Mar 31, 2023 (Rs. crore)	Date & rating in FY2024	Date & rating in FY2023		Date & rating in FY2022	Date & rating in FY2021
				March 12, 2024	March 06, 2023	May 09, 2022	December 31, 2021	January 04, 2021
1 Fund based – Working Capital Facilities	Long term	59.50	-	[ICRA]BB+ (Stable); withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	[ICRA]B (Stable)
2 Fund based – term loan	Long term	9.86	4.86	[ICRA]BB+ (Stable); withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	[ICRA]B (Stable)
3 Unallocated limits	Long term	0.14	-	[ICRA]BB+ (Stable); withdrawn	[ICRA]BB+ (Stable)	[ICRA]BB- (Stable)	[ICRA]BB- (Stable)	-
4 Non fund based – bank guarantee	Short term	9.00	-	[ICRA]A4+; withdrawn	[ICRA]A4+	[ICRA]A4	[ICRA]A4	[ICRA]A4

## Complexity level of the rated instrument

Instrument	Complexity Indicator
Long-Term Fund based- Working Capital Facilities	Simple
Long-Term Fund based – TL	Simple
Long Term – Unallocated limits	NA
Short Term Based – Bank Guarantee	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

#### Annexure I: Instrument details

ISIN	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Inventory funding	NA	8.50%	NA	45.00	[ICRA]BB+ (Stable); withdrawn
NA	Cash credit	NA	11.95%	NA	14.50	[ICRA]BB+ (Stable); withdrawn
NA	Term Loan-I	FY2022	9.25%	FY2025	4.86	[ICRA]BB+ (Stable); withdrawn
NA	Term Loan-II	FY2023	9.25%	FY2027	5.00	[ICRA]BB+ (Stable); withdrawn
NA	Unallocated limits	NA	NA	NA	0.14	[ICRA]BB+ (Stable); withdrawn
NA	Bank Guarantee	NA	NA	NA	9.00	[ICRA]A4+; withdrawn

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

#### Annexure II: List of entities considered for consolidated analysis: Not Applicable

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### Branches



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