

June 01, 2015

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	9.00	SMERA BB+/Stable (Assigned)
Bank Guarantee	0.30	SMERA A4+ (Assigned)

SMERA has assigned ratings of '**SMERA BB+**' (read as SMERA double B plus) to the Rs.9.00 crore long-term (fund based) bank facility and '**SMERA A4+**' (read as SMERA A four plus) to the Rs.0.30 crore short-term (non-fund based) bank facility of Vision Freight Solution India Limited (VFSIL). The outlook is '**Stable**'. The ratings are supported by the company's experienced management, comfortable net profit margin, debt protection metrics and healthy growth in revenues. However, the ratings are constrained by the company's small-scale operations in the intensely competitive logistics and warehouse industry.

VFSIL, established in 2008, is a Jaipur based company that provides warehousing and transportation services. The company is promoted by Mr. Anil Gupta, (M.Tech in Structural Designing) who has around a decades experience in the company's line of business.

VFSIL registered a net profit margin of 3.40 per cent in FY2013-14 (refers to financial year, April 01 to March 31). The company has comfortable debt protection metrics with moderate leverage of 1.37 times as on March 31, 2014 and moderate interest coverage ratio of 2.83 times in FY2012-13. The company registered a compounded annual growth rate (CAGR) of 15 per cent from FY2010-11(refers to financial year, April 01 to March 31) to FY2013-14(refers to financial year, April 01 to March 31). VFSIL has small-scale operations marked by revenues of Rs.37.42 crore in FY2013-14.

Outlook: Stable

SMERA believes VFSIL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers substantial growth in revenues while maintaining comfortable profit margins. However, the outlook may be revised to 'Negative' in case of deterioration in the company's financial risk profile or working capital.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.

About the Company

Established in 2008, VFSIL is a Jaipur-based company engaged in the business of providing warehousing and transportation services and caters to the telecom and FMCG industry.

The company reported profit after tax (PAT) of Rs.1.27 crore on operating income of Rs.37.42 crore for FY2013-14, as compared with PAT of Rs.1.23 crore on operating income of Rs.34.75 crore in FY2012-13. The company registered revenue of Rs.43.00 crore (provisional) for the period April 2014 to March 2015. The net worth of VFSIL stood at Rs.7.72 crore as on March 31, 2014, as compared with Rs.6.45 crore a year earlier.

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