

### Vision Plus Security Control Private Limited: Assigned

Facilities	Amount (Rs. Crore)	Ratings/Outlook
Cash Credit	4.50#	SMERA BB-/Stable (Suspension Revoked; Rating Assigned)
Term Loan	1.20	SMERA BB-/Stable (Suspension Revoked; Rating Assigned)
Bank Guarantee	0.50#	SMERA A4+ (Suspension Revoked; Rating Assigned)
Cash Credit (Proposed)	2.80	SMERA BB-/Stable (Suspension Revoked; Rating Assigned)

# Interchangibility from cash credit to bank guarantee of Rs. 0.25 crore.

SMERA has revoked the suspension of ratings on the abovementioned bank facilities of Vision Plus Security Control Private Limited (VPSCPL) and assigned ratings of **'SMERA BB-' (read as SMERA double B minus)** and **'SMERA A4+' (read as SMERA A four plus)**. The outlook is **'Stable'**. The ratings draw support from the company's experienced management, improved revenues, long term agreement with customers assuring fixed revenues and comfortable financial risk profile. However, the ratings are constrained by the small scale of operations, working capital intensive business and intensely competitive industry.

VPSCPL, incorporated in 2011 is engaged in the trading and servicing of security systems. The company also runs business process outsourcing (BPO) units for Bharat Sanchar Nigam Limited (BSNL) and the Income Tax (IT) department. VPSCPL benefits from its experienced management. Mr. Vishal Goel and Mrs. Anuradha Goel possess around a decade of experience in the service sector.

The operating income of VPSCPL improved to Rs.21.05 crore in FY2015-16 from Rs.8.01 crore in FY2014-15. The company entered into an agreement in 2014 with BSNL and the IT department for five years to handle BPO operations and gradually increased its market reach. VPSCPL has comfortable financial risk profile with gearing (debt to equity ratio) of 1.27 times (PY: 1.45 times) as on March 31, 2016 (provisional). The Interest coverage ratio (ICR) stood at 6.54 times and Debt service coverage ratio (DSCR) at 5.73 times in FY2015-16 (provisional).

VPSCPL's operations are working capital intensive with elongated working capital cycle of 132 days in FY2015-16 as against 102 days in FY2014-15 on account of stretched collections from BSNL and IT of 212 days in FY2015-16 as against 207 days in FY2014-15. The average cash credit limit utilisation has been around 99 per cent in the last six months ending July 2016.

#### Rating Sensitivity Factors

- Sustained improvement in revenues while maintaining profitability
- Deterioration in Capital structure
- Efficient working capital management

**Outlook: Stable**

SMERA believes that the outlook of VPSCPL will remain stable in the medium term owing to its experienced management. The outlook may be revised to 'Positive' if the company is able to scale up operations while maintaining profitability margins or effective working capital management. Conversely, the outlook may be revised to 'Negative' in case of additional working capital borrowings leading to deterioration in the overall gearing or weakening of profitability margins.

**Criteria applied to arrive at the ratings:**

- Trading Entities

**About the Company**

VPSCPL, incorporated in 2011 by Mr. Vishal Goel and Mrs. Anuradha Goel is engaged in the trading, installation and servicing of security systems. It also runs nine business process outsourcing (BPO) units - five for BSNL and four for the IT department.

For FY2015-16 (provisional), VPSCPL achieved net profit after tax (PAT) of Rs.0.69 crore on operating income of Rs.21.05 crore as against PAT of Rs.0.16 crore on operating income of Rs.8.01 crore in FY2014-15. The tangible net worth stood at Rs.4.17 crore in FY2015-16 as against Rs.1.34 crore in the previous year.

**Rating History:**

Date	Facility	Amount (Rs. Crore)	Ratings		Rating/ Outlook
			Long Term	Short Term	
04 July, 2016	Term Loan	1.20	SMERA B (Suspended)	-	Stable
	Cash Credit	0.50	SMERA B (Suspended)	-	Stable
	Bank Guarantee	1.00	-	SMERA A4 (Suspended)	-
	Bills Discounting	2.50	-	SMERA A4 (Suspended)	-
	Proposed Term Loan	1.00	SMERA B (Suspended)	-	Stable
	Proposed Cash Credit	0.50	SMERA B (Suspended)	-	Stable
	Proposed Bank Guarantee	1.00	-	SMERA A4 (Suspended)	-
	Proposed Bill Discounting	2.30	-	SMERA A4 (Suspended)	-

11 June, 2015	Term Loan	1.20	SMERA B (Assigned)	-	Stable
	Cash Credit	0.50	SMERA B (Assigned)	-	Stable
	Bank Guarantee	1.00	-	SMERA A4 (Assigned)	-
	Bills Discounting	2.50	-	SMERA A4 (Assigned)	-
	Proposed Term Loan	1.00	SMERA B (Assigned)	-	Stable
	Proposed Cash Credit	0.50	SMERA B (Assigned)	-	Stable
	Proposed Bank Guarantee	1.00	-	SMERA A4 (Assigned)	-
	Proposed Bill Discounting	2.30	-	SMERA A4 (Assigned)	-

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**ABOUT SMERA**

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