

September 01, 2015.

Facilities	Amount (Rs. Crore)	Rating
Cash Credit	10.00	SMERA B/Stable (Assigned)
Term Loan	2.15	SMERA B/Stable (Assigned)

SMERA has assigned a rating of '**SMERA B**' (read as **SMERA B**) to the Rs.12.15 crore bank facilities of Fahrenheit Enterprises (FE). The outlook is '**Stable**'. The rating is constrained by the firm's short track record of operations, limited geographical presence and exposure to intense competition in the automobile spare parts dealership industry. However, the rating draws support from the firm's experienced management who has around 20 years of experience in the car dealership business.

Outlook:Stable

SMERA believes FE will maintain a moderate business risk profile in the medium term owing to its experienced management. The outlook may be revised to 'Positive' in case the firm registers substantial improvement in its scale of operations and working capital management. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the firm's capital structure.

Rating sensitivity factors

- Improvement in revenues and profitability
- Efficient working capital cycle

About the Firm

FE, incorporated in 2014, is a New Delhi-based car spare part dealer with a two acre workshop and service centre for passenger vehicles. The firm commenced commercial operations in January 2015.

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