

March 26, 2016

Facilities	Amount (Rs. Crore)	Ratings
Cash Credit	3.50	SMERA B/Stable (Assigned)
Letter of Credit	3.50*	SMERA A4 (Assigned)

**Includes sublimit of bank guarantee upto Rs. 0.05cr*

SMERA has assigned ratings of '**SMERA B**' (read as **SMERA B**) and '**SMERA A4**' (read as **SMERA A four**) to the abovementioned bank facilities of Visuell Creations (VC). The outlook is '**Stable**'. The ratings are constrained by the firm's small scale of operations, below average financial risk profile marked by high gearing levels, modest coverage indicators and working capital intensive nature of operations. The ratings are further constrained by the susceptibility of profit margins to volatility in raw material prices and intense market competition. However, the ratings derive comfort from the experienced management and reputed clientele.

Outlook: Stable

SMERA believes VC will have a stable outlook over the medium term on the back of experienced management. The outlook may be revised to 'Positive' in case of further improvement in the firm's scale of operations, while maintaining profitability and efficient working capital management. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the VC's financial profile.

Rating Sensitivity Factors

- Scaling up operations while maintaining profitability
- Efficient working capital management
- Improvement in capital structure

About the Firm

VC, established in 2010 is a Mumbai based partnership firm engaged in as importer and distributor of glassware and crystal ware products for various international brands.

For FY2014-15, VC reported profit after tax (PAT) of Rs.0.93 crore on operating income of Rs.10.27 crore as against PAT of Rs. 0.27 crore on operating income of Rs. 11.14 crore.

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SMERA RATINGS LIMITED

Visuell Creations (VC)

Rating
Rationale

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