

Press Release

Visuell Creations

16 March, 2017

Rating Reaffirmed

Total Bank Facilities Rated *	Rs 7.00 Crore
Long Term Rating	SMERA B/Stable
Short Term Rating	SMERA A4

*Refer Annexure for details

Rating Rationale

SMERA has reaffirmed long-term rating of '**SMERA B** (**read as SMERA B**) and short term rating of '**SMERA A4**' (**read as SMERA A four**) on the Rs. 7.00 crore bank facilities of Visuell Creations. The outlook is '**Stable**'.

Visuell Creations (VC), established in 2010 is a Mumbai-based partnership firm that imports and distributes glassware and crystal ware products of international brands.

Key Rating Drivers

Strengths

- **Experienced management and long track record of operations**

The firm is led by Mr. B.K Jhunjhunwala who has experience of almost two decades in the aforementioned line of business and has developed long standing relations with suppliers.

- **Reputed clientele**

VC is associated with established brands like Bormioli Rocco, Borcam, Pasabahce, Nachtmann, DaVinci Crystal to name a few for import of glassware and crystal ware. The reputed clients in the domestic market include ALFA, Avenue Super mart, Hypercity Retail (India) Ltd., Lifestyle International Pvt Ltd and Shoppers Stop Ltd.

Weaknesses

- **Below average financial risk profile**

VC continues to have below average financial risk profile. The gearing stood high at around 3.56 times as on March 31, 2016 compared to 3.97 times as on March 31, 2015. The coverage ratios stood at a moderate level of 1.82 times in FY2016 compared to 1.81 times in FY2015. The net worth stood low at Rs.2.31 cr as on March 31, 2016.

- **Small scale of operations**

The firm has small scale of operations. The revenue stood at Rs 9.75 cr in FY2016 compared to Rs.10.27 cr in FY2015.

Analytical Approach

SMERA has considered the standalone business and financial risk profiles of the firm.

Outlook: Stable

SMERA believes that VC will have a stable outlook over the medium term owing to its 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 financial profile.

About the Rated Entity - Key Financials

For FY2015-16, VC reported profit after tax (PAT) of Rs.0.78 cr on operating income of Rs.9.75 cr as against PAT of Rs. 0.81 cr on operating income of Rs. 10.27 cr.

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Trading Entities - <https://www.smera.in/criteria-trading.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
26-Mar-2016	Cash Credit	Long Term	INR 3.5	SMERA B/Stable
	Letter of Credit	Short Term	INR 3.5	SMERA A4

*Annexure - Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Cash Credit	Not Applicable	Not Applicable	Not Applicable	3.50	SMERA B/Stable (Reaffirmed)
Letter of credit	Not Applicable	Not Applicable	Not Applicable	3.50#	SMERA A4 (Reaffirmed)

Includes sublimit of bank guarantee up to Rs. 0.05cr

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ABOUT SMERA

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