

Vinishma Technologies Private Limited: Assigned

Name of the Instruments	Amount (Rs. Crore)	Ratings/Outlook
Cash Credit	2.00	SMERA BB-/Stable (Assigned)
Bank Guarantee	12.50	SMERA A4 (Assigned)

SMERA has assigned long term rating of '**SMERA BB-**' (**read as SMERA double B minus**) to the Rs.2.00 crore fund based facility and short term rating of '**SMERA A4**' (**read as SMERA A four**) to the Rs.12.50 crore non-fund based facility of Vinishma Technologies Private Limited (VTPL). The outlook is '**Stable**'. The ratings are constrained by the company's moderate scale of operations and tender-based business. The ratings are also constrained by the moderate financial risk profile marked by healthy growth in revenue, comfortable gearing (debt-equity ratio), low profitability and low net-worth. However, the ratings are supported by the experienced management and strong order book position.

VTPL, established in 1995, is a Delhi-based company that undertakes turnkey projects related to electrification and civil construction work for government entities. The company also trades in stationery items. The scale of operations are moderate as reflected in the total operating income of Rs.92.83 crore in FY2014-15 as compared to Rs.35.46 crore in FY2013-14. The company's moderate financial risk profile is marked by comfortable gearing (debt-equity ratio) of 0.71 times as on March 31, 2015 as compared to 2.18 times in FY2013-14. The interest coverage ratio was moderate at 1.85 times in FY2014-15 as compared to 1.48 times in FY2013-14.

The company was promoted by Mr. Manish Agarwal, who possesses around 20 years of experience in the construction industry. VTPL has a strong order book position, as reflected in the pending orders of ~Rs.60.00 crore, likely to be executed in FY2016-17.

Outlook- Stable

SMERA believes that the outlook on VTPL rated facilities will remain stable over the medium term owing to the company's experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected revenues and net cash accruals while achieving efficient working capital management. Conversely, the outlook may be revised to 'Negative' if VTPL registers lower-than-expected net cash accruals or deterioration in the financial profile due to stretch in working capital management or larger-than-expected debt-funded capex.

Rating Sensitivity Factors

- Efficient working capital management
- Substantial and sustainable improvement in revenue and profitability profile

About the Company

VTPL, incorporated in 1995, is a Delhi-based company promoted by Mr. Manish Agarwal and Mr. Anil Garg. The company undertakes turnkey projects related to electrification and civil construction work, for government entities and also trades in stationery items.

VTPL reported profit after tax (PAT) of Rs.0.30 crore on operating income of Rs.92.83 crore for FY2014-15, as compared with PAT of Rs.0.13 crore on operating income of Rs.35.46 crore for FY2013-14. The company's net worth stood at Rs.4.42 crore as on March 31, 2015, as against Rs.1.46 crore a year earlier.

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ABOUT SMERA

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