

### Vistar Interior LLP: Assigned

Facilities	Amount (Rs. Crore)	Ratings/Outlook
Cash Credit	0.25	SMERA B+/Stable(Assigned)
Term Loan	0.50	SMERA B+/Stable(Assigned)
Bank Guarantee	12.00	SMERA A4(Assigned)

SMERA has assigned long term rating of '**SMERA B+**' (**read as SMERA B plus**) and short term rating of '**SMERA A4**' (**read as SMERA A four**) to the abovementioned bank facilities of Vistar Interior LLP (Vistar Interior). The outlook is '**Stable**'.

The ratings are constrained by the short track record of operations, low profitability and stretched working capital cycle. The ratings are also constrained by the intensely competitive interior designing industry. However, the ratings draw comfort from the experienced management.

Vistar Interior, incorporated in 2014 offers interior designing services. The firm has short track of operations. The net profitability margin stands low at 1.16 percent in FY2016 as compared to 1.23 percent in FY2015. The stretched working capital cycle is evident from the high GCA days of 321 in FY2016 as compared to 1484 days in FY2015. The interest coverage ratio stands at 2.96 times in FY2016 as compared to 1.33 times in FY2015. Also, the company faces intense competition in the interior designing industry.

However, the promoters, Mr. Supreet Singh Suri and Mrs. Kinty Suri have experience of over a decade in the interior designing industry.

#### Rating Sensitivity Factors

- Sustainable improvement in revenue and profitability profile
- Movement in working capital cycle

#### Outlook - Stable

SMERA believes that the firm will maintain a stable outlook in the medium term owing to the extensive experience of the promoters. The outlook may be revised to 'Positive' in case of significant improvement in operations and profitability. Conversely, the outlook may be revised to 'Negative' if the financial risk profile deteriorates.

#### About the Firm

Vistar Interior was incorporated as a partnership concern by Mr. Supreet Singh Suri and Mrs. Kinty Suri. The firm commenced operations in December, 2014 to offer interior designing services. In FY2016, the firm plans to undertake civil work also.

For FY2015-16, the firm reported profit after tax (PAT) of Rs.0.21 crore on operating income of Rs.18.25 crore, as compared with PAT of Rs.0.01 crore on operating income of Rs.1.05 crore in FY2014-15. The net worth stood at Rs.9.03 crore as on March 31, 2016 against Rs.1.43 crore a year earlier. The net worth of Rs.9.03 crore in FY2016 includes quasi-equity of Rs.6.54 crore.

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**ABOUT SMERA**

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