

November 30, 2015

| Facilities | Amount (Rs. Crore) | Ratings |
|------------------|--------------------|----------------------------|
| Cash Credit | 12.00 | SMERA B+/Stable (Assigned) |
| Letter of Credit | 5.00 | SMERA A4 (Assigned) |

SMERA has assigned rating of '**SMERA B+**' (read as **SMERA B+**) to the Rs.12.00 crore fund based bank facility and short term rating of '**SMERA A4**' (read as **SMERA A four**) to the Rs.5.00 crore non-fund based bank facility of Venus Industrial Corporation Private Limited (VICPL). The outlook is '**Stable**'. The ratings are constrained by the weak financial risk profile, cyclical nature of the automobile industry and competitive and fragmented nature of the precision metal component manufacturing industry. However, the ratings draw support from the experienced management and reputed clientele.

Outlook: Stable

SMERA believes VICPL will maintain a stable business risk profile over the medium term. The company will continue to benefit from its experienced management. The outlook may be revised to 'Positive' in case the company registers higher-than-expected growth in revenues and net cash accruals while achieving efficient working capital management. Conversely, the outlook may be revised to 'Negative' if the company registers lower-than-expected revenues and net cash accruals, or deterioration in the company's financial risk profile and liquidity position.

Rating Sensitivity Factors

- Management of working capital funds
- Improvement in profitability margins

About the Company

VICPL, incorporated in 1996, is a Faridabad-based company promoted by Mr. D. N. Kathuria. The company is engaged in the manufacture of precision sheet metal components primarily for the automotive industry.

For FY2014-15, VICPL reported net profit of Rs.0.31 crore on total income of Rs.200.35 crore, as compared with net loss of Rs.0.52 crore on total income of Rs.171.98 crore in FY2013-14. VICPL's net worth stood at Rs.21.95 crore as on March 31, 2014, as compared with Rs.22.52 crore a year earlier.

Disclaimer: A SMERA rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. SMERA ratings are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, SMERA, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. SMERA is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind arising from the use of its ratings. SMERA ratings are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.smera.in) for the latest information on any instrument rated by SMERA.



SMERA RATINGS LIMITED

Venus Industrial Corporation Private Limited (VICPL)

*Rating
Rationale*

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