

## Press Release

03 March, 2017

### Century Ventures

### Rating Assigned

<b>Total Bank Facilities Rated *</b>	Rs.9.25 Cr
<b>Long Term Rating</b>	SMERA B/Stable

*\*Refer Annexure for details*

### Rating Rationale

SMERA has assigned long-term rating of '**SMERA B**' (read as **SMERA B**) on the Rs. 9.25 crore bank facilities of Century Ventures. The outlook is '**Stable**'.

Century Ventures (CV), established as a partnership firm in 2015 is engaged in the manufacturing of corrugated boxes. The firm is headed by Mr. Yogesh Todi and Mrs Manisha Todi and the manufacturing facility is located at Ahmedabad.

### Key Rating Drivers

#### Strengths

- **Experienced management**

The partner, Mr Yogesh, possesses around 15 years of experience in the paper and packaging industry.

#### Weaknesses

- **Limited operational track record**

The firm began trading in corrugated boxes from November 2015 and subsequently ventured into manufacturing of the same from September 2016.

- **Small scale of operations**

The firm reported revenue of Rs.3.23 cr for FY2015-16 from trading. As informed by the management, the firm booked revenue of Rs.5.50 cr from April 2016 to January 2017.

- **Customer concentration risk**

Going forward, the firm is expected to cater to Sintex and Britannia Limited for their requirement of corrugated boxes. Revenue from both these companies is expected to account for around 30 per cent of the firm's total revenue exposing it to customer concentration risk.

### Analytical Approach

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

### Outlook: Stable

SMERA believes that the outlook of CV will remain Stable over the medium term owing to its experienced promoters. The outlook may be revised to Positive if the firm achieves more than expected revenue and profit margins. Conversely, the outlook may be revised to Negative in case of lower than expected revenues and profitability or deterioration in the capital structure.

## About the Rated Entity - Key Financials

CV reported profit after tax (PAT) of Rs.0.05 cr on net sales of Rs.3.23 cr in FY2016. The tangible net worth for FY2016 stood at Rs.2.22 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>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.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)

Not Applicable

## \*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	2.75	SMERA B/Stable
Term Loan	Not Applicable	Not Applicable	Not Applicable	6.50	SMERA B/Stable

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## ABOUT SMERA

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