

Press Release

Venus Industries

March 19, 2019



Rating Update

| | |
|-------------------------------------|---------------------------------------|
| Total Bank Facilities Rated* | Rs. 10.00 Cr. # |
| Long Term Rating | ACUITE BB Issuer not co-operating* |

Refer Annexure for details

* The issuer did not co-operate; Based on best available information.

Acuité has reviewed long-term rating of „ACUITE BB” (read as ACUITE double B) on the Rs. 10.00 crore bank facilities of Venus Industries. This rating is now an indicative rating and is based on best available information.

Venus Industries, a Ratnagiri-based partnership firm was established in 2013 by Mr. Tushar Deolekar and Mr. Nilankan Deolekar (Managing Partner). The firm is engaged in the processing of Khair wood for manufacturing of Kattha (Catechu), Tannin, Khair Juice and Kutch. The manufacturing facility is located at Ratnagiri with capacity of 1.20 lakh kgs - Katha (Catechu) and 5.40 lakh kgs of Khair juice annually. The average utilisation is around 80 percent. The firm has an established customer base in Delhi, Daman, Kanpur, Vadodara, Bangalore and Noida.

Analytical approach

Acuité has considered the standalone business and financial risk profiles of Venus Industries to arrive at the rating.

Non-cooperation by the issuer/borrower

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer / borrower failed to submit such information before due date.

This rating is therefore being flagged as “Issuer not-cooperating”, in line with prevailing SEBI regulations and Acuité’s policies.

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Limitation regarding information availability

The rating is based on information available from sources other than the issuer / borrower (in the absence of information provided by the issuer / borrower). Acuité endeavoured to gather information about the entity / industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

About the Rated Entity - Key Financials

| | Unit | FY17 (Actual) | FY16 (Actual) | FY15 (Actual) |
|-------------------------------|---------|---------------|---------------|---------------|
| Operating Income | Rs. Cr. | 18.36 | 11.26 | 9.02 |
| EBITDA | Rs. Cr. | 1.73 | 1.81 | 1.81 |
| PAT | Rs. Cr. | 0.54 | 0.34 | 0.23 |
| EBITDA Margin | (%) | 9.42 | 16.08 | 20.03 |
| PAT Margin | (%) | 2.94 | 3.02 | 2.58 |
| ROCE (%) | (%) | 13.16 | 11.86 | 23.79 |
| Total Debt/Tangible Net Worth | Times | 3.95 | 8.17 | 9.54 |
| PBDIT/Interest | Times | 1.77 | 1.41 | 1.30 |

| | | | | |
|-----------------------------|-------|------|------|------|
| Total Debt/PBDIT | Times | 4.32 | 6.77 | 6.85 |
| Gross Current Assets (Days) | Days | 157 | 411 | 508 |

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

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

| Date | Name of Instrument / Facilities | Term | Amount (Rs. Cr.) | Ratings/Outlook |
|-------------|---------------------------------|-----------|------------------|-----------------------------|
| 10-Jan-2018 | Cash Credit | Long Term | 5.00 | ACUITE BB/Stable (Assigned) |
| | Proposed Bank Facility | Long Term | 5.00 | ACUITE BB/Stable (Assigned) |

#Annexure – Details of instruments rated

| Name of the Facilities | Date of Issuance | Coupon Rate | Maturity Date | Size of the Issue (Rs. Cr.) | Ratings |
|------------------------|------------------|----------------|----------------|-----------------------------|---------------------------------------|
| Cash Credit | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE BB Issuer not co-operating* |
| Proposed Bank Facility | Not Applicable | Not Applicable | Not Applicable | 5.00 | ACUITE BB Issuer not co-operating* |

*The issuer did not co-operate; Based on best available information.

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited (Erstwhile SMERA Ratings Limited) is a full-service Credit Rating Agency registered with the Securities and Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI), for Bank Loan Ratings under BASEL-II norms in the year 2012. Since then, it has assigned more than 6,000 credit ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Mumbai.

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