

## Rating Rationale

Venus Enterprises

21 Dec 2017

**Brickwork Ratings assigns ratings for the Bank Loan Facilities of ₹4.65 Crs of M/s Venus Enterprises**

### Particulars

Facility	Amount (₹ Crs)	Tenure	Rating
<b>Fund Based OD (Vyapar)</b>	<b>4.65</b>	<b>Long Term</b>	<b>BWR B- (Pronounced as BWR B Minus) Outlook: Stable</b>
<b>Total</b>	<b>4.65</b>		<b>(INR Four Crores Sixty Five Lakhs only)</b>

\* Please refer to BWR website [www.brickworkratings.com/](http://www.brickworkratings.com/) for definition of the ratings

### Rationale/Description of Key Rating Drivers/Rating sensitivities:

The rating assigned to the bank facilities of M/s Venus Enterprises is primarily based on the audited financials upto FY17, and projected financials of FY18 and FY19 and publicly available data and information provided by the firm.

The rating draws strength from the management's experience in the field, established clientele and presence of other group entities. The ratings are however constrained by the low net worth, low profitability margin, high gearing ratio, diversion of funds from core activities and the seasonal dependability of the business.

Ability of the company to bring back the money diverted and to achieve the projected revenue and to streamline their stressed liquidity in a seasonal environment will remain as key rating sensitivities.

**Rating Outlook: Stable**

BWR believes the **M/s Venus Enterprises** business risk profile will be maintained over the medium term. The ‘Stable’ outlook indicates a low likelihood of rating change over the medium term. The rating outlook may be revised to 'Positive' in case the revenues and profit show sustained improvement. The rating outlook may be revised to 'Negative' if the revenues go down and profit margins show lower than expected figures.

**About the Firm**

Venus enterprises is a proprietorship concern started in June 2013. The concern has its registered office at Pattukottai. They are retailers focussing on Raw materials and finished products in the field of Aqua-Food, Prawn Feed, Chemicals, Packaging etc.

**Key Financial Indicators**

<b>Particulars</b>	<b>FY15 Audited</b>	<b>FY16 Audited</b>	<b>FY17 Audited</b>
<b>Revenues (Cr)</b>	17.57	13.61	13.31
<b>EBIDTA (Cr)</b>	0.23	0.41	0.42
<b>PAT (Cr)</b>	0.13	0.13	0.10
<b>TNW (Cr)</b>	0.12	0.17	0.24
<b>Total Debt/TNW</b>	10.79	19.19	23.60
<b>ISCR</b>	3.36	1.63	1.21
<b>DSCR</b>	2.03	1.51	1.30

**Rating History for the last three years: (including withdrawn/suspended ratings)**

Sl. No.	Instrument/Facility	Current Rating (2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	2016	2015	2014
1.	OD (Vyapar)	Long Term	4.65	BWR B- Outlook Stable	NA		
<b>Total</b>			<b>INR 4.65 (INR Four Crores Sixty Five Lakhs Only)</b>				

**Hyperlink/Reference to applicable Criteria**

- [General Criteria](#)
- [Short Term Debt](#)
- [Approach to Financial Ratios](#)

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**For print and digital media**

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**Note on complexity levels of the rated instrument:**

BWR complexity levels are meant for educating investors. The BWR complexity levels are available at [www.brickworkratings.com/download/ComplexityLevels.pdf](http://www.brickworkratings.com/download/ComplexityLevels.pdf) Investors queries can be sent to [info@brickworkratings.com](mailto:info@brickworkratings.com).

**About Brickwork Ratings**

Brickwork Ratings (BWR), a SEBI registered Credit Rating Agency, has also been accredited by RBI and empaneled by NSIC, offers Bank Loan, NCD, Commercial Paper, MSME ratings and grading services.



NABARD has empaneled Brickwork for MFI and NGO grading. BWR is accredited by IREDA & the Ministry of New and Renewable Energy (MNRE), Government of India. Brickwork Ratings has Canara Bank, a Nationalized Bank, as its promoter and strategic partner.

BWR has its corporate office in Bengaluru and a country-wide presence with its offices in Ahmedabad, Chandigarh, Chennai, Guwahati, Hyderabad, Kolkata, Mumbai and New Delhi along with representatives in 150+ locations. BWR has rated debt instruments/bonds/bank loans, securitized paper of over ₹ 9,30,000 Cr. In addition, BWR has rated about 5000 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹19,700 Cr have been rated. Brickwork has a major presence in rating of nearly 100 cities.

#### **DISCLAIMER**

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