

March 28, 2022

Venus Home Appliances Private Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Cash Credit	21.90	21.90	[ICRA]BBB (Stable); Withdrawn
Term Loan	3.10	3.10	[ICRA]BBB (Stable); Withdrawn
Non Fund-Based Facilities	8.00	8.00	[ICRA]A3+; Withdrawn
Total	33.00	33.00	

*Instrument details are provided in Annexure-1

Rationale

ICRA has withdrawn the ratings assigned to the bank facilities of **Venus Home Appliances Private Limited (VHAPL)** based on the No Objection Certificate received from the banker, and in accordance with ICRA's policy on withdrawal and suspension. However, ICRA does not have adequate information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key Rating Drivers, Liquidity Position, Rating Sensitivities, have not been captured as the related instruments are being withdrawn. The previous detailed rating rationale is available at the following link: [Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	ICRA Policy on Withdrawal and Suspension of Credit Ratings Corporate Credit Rating Methodology
Parent/Group Support	Not Applicable
Consolidation/Standalone	Not Applicable

About the company

Venus Home Appliances Private Limited, incorporated in April 1995, is primarily involved in manufacturing and marketing of electric water heaters. Besides, it sells other products including solar water heater, gas water heaters, immersion pumps, room heaters and fans, among others. Venus is a closely-held entity and its key promoters have extensive industry experience spanning over five decades. Its electric water heater manufacturing facility is in Tuticorin, Tamil Nadu, with an annual installed capacity of 3.6 lakh storage water heaters and 60,000 instant water heaters.

Key financial indicators (audited)

	FY2019	FY 2020
Operating Income (Rs. crore)	164.6	154.9
PAT (Rs. crore)	6.7	4.2
OPBDIT/OI (%)	9.0%	7.9%
RoCE (%)	19.0%	12.5%
Total Outside Liabilities/Tangible Net Worth (times)	1.7	1.6
Total Debt/OPBDIT (times)	2.4	3.4
Interest Coverage (times)	3.8	2.9
DSCR (times)	2.1	1.5

PAT: Profit after Tax; OPBDIT: Operating Profit before Depreciation, Interest, Taxes and Amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Rating History for the Past 3 Years		
		Type	Amount Rated (Rs. Cr.)	Amount Outstanding as of Mar 31, 2022 (Rs. Cr.)	Date & Rating	FY2021	FY2020	FY2019
					March 28, 2022	January 04, 2021	August 01, 2019	September 27, 2018
1	Cash Credit	Long Term	21.90	NA	[ICRA]BBB (Stable); Withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
2	Term Loan	Long Term	3.10	NA	[ICRA]BBB (Stable); Withdrawn	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)	[ICRA]BBB (Stable)
3	Non Fund-Based Facilities	Short Term	8.00	NA	[ICRA]A3+; Withdrawn	[ICRA]A3+	[ICRA]A3+	[ICRA]A3+

NA: Not Available

Complexity level of the rated instrument

Instrument	Complexity Indicator
Cash Credit	Simple
Term Loan	Simple
Non Fund-Based Facilities	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA's website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	21.90	[ICRA]BBB (Stable); Withdrawn
NA	Term Loan	FY2019	NA	FY2024	3.10	[ICRA]BBB (Stable); Withdrawn
NA	Non Fund-Based Facilities	NA	NA	NA	8.00	[ICRA]A3+; Withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

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