

RATING RATIONALE

18 Sept 2020

AVR Marines Pvt Ltd

Brickwork Ratings Downgrades the ratings for long term facilities of Rs.21.40 Crs of AVR Marines Pvt Ltd based on best available information, as the issuer did not cooperate.

Particulars

Facilities	Amount (₹ Cr)		Tenure	Rating#	
	Previous (April,2019)	Present		Previous (April,2019)	Present
Term Loan	5.40	5.40	Long Term	BWR B+ Stable	BWR B Issuer Non Cooperation* (Downgrade)
Working Capital (Proposed)	16.00	16.00			
Total	21.40	21.40	INR Twenty one crore forty lakhs only		

Please refer to BWR website www.brickworkratings.com/ for definition of the ratings

* Issuer did not cooperate, based on best available information.

Details of Bank facilities is provided in Annexure -I

RATING ACTION/ NON-COOPERATION

Brickwork Ratings downgrades the ratings from BWR B to BWR B+ for the long term facilities of Rs. 21.40 Crs of AVR Marines Pvt Ltd ; Issuer Non Cooperation, based on best available information.

BWR had initially rated the bank loan facilities of M/s AVR Marines Pvt Ltd during December, 2017, with rating assigned as BWR B+/A4 (stable) for Rs.22.00 crs. The rating was due for a review during December; 2018. The surveillance was done in April, 2019 for Rs.21.40 crs. The rating was reaffirmed for long term fund and rating was withdrawn for short term fund. The rating was due for review in April, 2020. The client didn't share the documents therefore, it moved to Issuer Non-Cooperation.

BWR further took up with the issuer to provide required complete information over emails and telephone calls. Despite the best efforts of BWR to get at least the minimum required information for a review, the company has not provided the same. In the absence of adequate information from the issuer, BWR is unable to assess the issuer's financial performance and its ability to service its debt and maintain a valid rating. Hence on account of inadequate information and lack of management cooperation and with the available information on public domain, BWR recommends downgrading the rating and categorizing under Issuer Non-Cooperation. The NDS of the last 12 months was also not submitted by them.

LIMITATIONS OF THE RATING

Information availability risk is a key factor in the assessment of credit risk as generally, noncooperation by the rated entities to provide required information for a review of the assigned rating may also be accompanied by financial stress.

ABOUT THE COMPANY

M/s AVR Marines Pvt Ltd was incorporated on 27th August 2015 at Attili Mandal, West Godavari district, AP for export of marine seafood products. Mr. Addala Venkata Raju and Ms. Addala Susheela are the promoters of the company. Mr. Addala Venkata Raju has 15 years of experience in export of chilled prawn and he is the proprietor of the concern M/s Pure Imports and Exports. Main operations of the company are to procure sea fish from aqua farmers, suppliers, fishing harbour in PUF insulated vehicles and process them in the cold chain unit. The processed fish are then frozen using Plate freezing, Blast freezing and IQF freezing. The frozen products are then stored in a cold storage unit till they are exported. The products are loaded in freezer containers and transported through sea to the customer’s destination. The proposed capacity of the cold storage unit for processing is 50 MT of fish and prawns per day. As per the management, it plans to appoint 150 - 175 permanent employees for its 3 shift operations; with 900 - 1200 hired employees.

NON-COOPERATION WITH PREVIOUS RATING AGENCY (IF ANY): NA

RATING HISTORY FOR THE PREVIOUS THREE YEARS [including withdrawal and suspended]

Facilities	Current Rating (2020)			FY19	FY18	FY17
	Tenure	Amount (Rs. Cr)	Rating			
Term Loan Working Capital (Proposed)	Long Term	5.00 16.40	BWR B Issuer Non Cooperation (Downgrade)	BWR B+ (Stable)	--	BWR B+/A4 (Stable)
Total		21.40				

COMPLEXITY LEVELS OF THE INSTRUMENTS

For more information, visit www.brickworkratings.com/download/ComplexityLevels.pdf

Hyperlink/Reference to applicable Criteria

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

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**AVR Marines Pvt Ltd
ANNEXURE I**

Details of Bank Facilities rated by BWR

Sl. No.	Name of the Bank	Type of Facilities	Long Term [₹ Cr]	Total [₹ Cr]
1	APSFC	Term Loan	5.40	5.40
2	State Bank of India	Working Capital(Proposed)	16.00	16.00
		Total		21.40(Twenty One crores forty Lakhs Only)



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