



Rating Rationale

Aquawave Bio Tech Pvt Ltd

14 Feb 2018

Brickwork Ratings revises the ratings for the Bank Loan Facilities of ₹8.66 Crores of Aquawave Bio Tech Pvt Ltd.

Particulars

Facility	Amount (₹ Crs)		Tenure	Rating*	
	Previous	Present		Previous	Present
Fund based	6.70	8.66	Long Term	BWR B (BWR Single B) Outlook: Stable	BWR D (BWR Single D) Downgraded
Total	6.70	8.66	INR Eight Crores and Sixty Six Lakhs Only		

*Please refer to BWR website www.brickworkratings.com/ for definition of the ratings
Complete details of Bank facilities is provided in Annexure-I

Ratings: Downgraded

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR relied upon Audited financials upto FY17, Project financials of FY18, information and clarification given by company's management.

The company commenced its operation in April 2017 and has registered operating income of Rs 3 Crs till Dec 2017, low net worth. The banker has confirmed having rescheduled repayment obligations twice on account of delayed implementation of the project which has affected projected cash flows. Further bank confirms delayed repayment of 1st two quarters schedule and repayment of Dec 2017 quarter is not yet serviced as on date.

Analytical Approach

For arriving at its ratings, BWR has applied its rating methodology as detailed in the Rating Criteria detailed below (hyperlinks provided at the end of this rationale).



About the Company

Aquawave Bio Tech Pvt Ltd is incorporated in Jan 2012. The company was incorporated by two promoters Smt. Susmitha Rajavarapu & Sri Nagesh babu Anantha with 5000 shares each. Both the directors, for their personal preoccupation reasons, have passed the resolution and resigned from the company. Form 32, Board resolutions had been submitted in this regard. The Company has presently three Directors- Mr Battini Venkateswarlu, Mr Bollu Srinivasa Rao and Mrs Battini Prabhavathi.

The Company has undertaken the proposed project of setting up the Prawn Hatchery unit having assumed capacity of 1000 pairs of vannamei prawn per annum. The Company's registered office is in Guntur, Andhra Pradesh. The farm/ unit is located in Adavi village, Bapatla Mandal, Guntur district, A.P. Company has started its operations on 1st Apr 2017. The Company is engaged in the business of research, development, farming, manufacturing, stockist, import & exporter of all kinds of seafood & herbal products. They are mainly involved in the Broodstock development (R&D), domestication of fishes, shrimps, prawns, exotic species of fishes, aquaponics, marine & fresh water ornamental fishes for seed production & nursery rearing culture. As of now, company has not started export.

Company Financial Performance

Company has started operation in FY18 and achieved ₹3.00 Crs sales till 31st Dec 2017. In FY17, the Company has 1.00 times Interest Coverage ratio, 0.96 times Debt Service Coverage Ratio, 0.68 times current ratio and 3.19 times gearing ratio.

Rating History for the last three years

S.No	Instrument /Facility	Current Rating (2018)			Rating History		
		Type (Long Term/ Short Term)	Amount (₹ Crs)	Rating	17Jan2017	2016	28Aug2015
1.	Fund Based	Long Term	8.66	BWR D Downgraded	Not Reviewed	Not Rated	BWR B
	Total		8.66	₹ Eight Crores and Sixty Six Lakhs Only			

Status of non cooperation with Previous CRA : Non Applicable

Any other information: Non Applicable

Key Financial Indicators

Key Parameters	Units	2017	2016
Result Type		Audited	Audited
Operating Revenue	In ₹ Crs	-	-
EBITDA	In ₹ Crs	-	-
PAT	In ₹ Crs	-	-
Tangible Net worth	In ₹ Crs	3.55	3.55
Total Debt/Tangible Net worth	Times	2.94	3.19
Current Ratio	Times	0.39	0.68

Hyperlink/Reference to applicable Criteria

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

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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 Investors queries can be sent to 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 ₹ 10,00,000 Cr. In addition, BWR has rated over 6300 MSMEs. Also, Fixed Deposits and Commercial Papers etc. worth over ₹24,440 Cr have been rated.

DISCLAIMER

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