

Rating Rationale

Brickwork Ratings assigns “BWR A4” for Bank Loan facilities aggregating ₹ 25.50 Cr of M/s Arya Sea Foods Private Limited

Brickwork Ratings has assigned following **Rating¹** for Bank Loan facilities of M/s Arya Sea Foods Private Limited.

Facility	Limits (₹ Cr)	Tenure	Rating
Fund Based Bill Discounting	10.00	Short Term	BWR A4 (BWR A Four)
Fund Based Export Packing Credit	15.00		
Non-Fund Based Bank Guarantee	0.50		
Total	25.50	INR Twenty Five Crores and Fifty Lakhs only	

*Apart from above mentioned Facilities Company has availed term loan from **The Visakhapatnam Cooperative Bank Ltd** and the liability as on March 31, 2016 is Rs.14.27 Cr, which has not rated by us.*

BWR has principally relied upon the projected financials from FY17 to FY20, publicly available information and information/clarification provided by the Company’s management.

The rating assigned derive its strengths from qualified directors, one of the director has three decades of experience in the industry and location advantage of the unit. However, the ratings are constrained by limited track record, exposed to forex risks and intense competition in the industry.

Background:

M/s Arya Sea Foods Private Limited, incorporated in Aug 2014 and registered office located at Visakhapatnam, Andhra Pradesh. Company is engaged in processing of Shrimp at Cheruvvu Village, Veerasavaram Mandal, Wes Godavari (Dt.), Andhra Pradesh. Commercial operations of the Company commenced from Jan 2016 onwards. Company has installed capacity of 36MT per day and utilizing ~80% of installed capacities. Company product list includes IQF Frozen Shrimp, Block Frozen Shrimp, Peeled and Deveined Shrimp, Peeled and un-deveined Shrimp, Ribbon Fist Etc., Company is exporting its products to Vietnam, USA & European Countries.

Board of Directors of the company are Mr. Y Venkata Susrutha, Mrs. Y Vamsi Priya and Mr. G Ranga Rao. Mr. Y Venkata Susrutha is Managing Director of the Company and has three years of experience in the industry. Mr. G Ranga Rao has more than three decades of experience in the industry.

Financial Performance:

During 3m of operations, company reported net revenues at Rs. 13.00 crores as per information received by management. Company’s paid up equity is at Rs. 6.56 Crores as on date.

¹ Please refer to www.brickworkratings.com for definition of the Ratings

Rating Outlook:

Going forward, ability of the company to achieve its projected turnover, to manage cash flows to meet its debt obligations, to mitigate forex risks, and to withstand in the competitive market will remain key rating sensitivities.

Analyst Contact	Relationship Contact
<u>analyst@brickworkratings.com</u>	<u>bd@brickworkratings.com</u>
Phone	Media Contact
1-860-425-2742	<u>media@brickworkratings.com</u>

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