



Rating Rationale

Arya Sea Foods Private Limited

8th June 2017

Brickwork Ratings reaffirms the ratings for the Bank Loan Facilities of Rs.28.00 Crs of Arya Sea Foods Private Limited.

Particulars

Facility Rated	Amount (Rs. Crs)		Tenure	Rating *	
	Previous	Present		Previous	Present
Fund Based Limits					
Bill Discounting(DB)	10.00	12.50	Short Term	BWR A4	BWR A4 (BWR A Four) Reaffirmed
Export Packing Credit (EPC)	15.00	15.00			
EPC (Sublimit Under DB)	0.00	(5.00)			
Non- Fund Based Limit					
Bank Guarantee	0.50	0.50			
Total	25.50	28.00	INR Twenty Eight Crores Only		

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

Note: Provisional financials of FY 17 not provided.

Rating Short Term Reaffirmed

Rationale/Description of Key Rating Drivers/Rating sensitivities:

BWR has primarily relied upon the audited financials up-to FY16, projected financials up to FY20, publicly available information and the information/clarifications provided by the company.

The rating draws strength from qualified directors and locational advantage. However, the ratings are constrained limited track record of business operations, low net profitability margin, high gearing, working capital nature of operations, exposed to forex risks inability to reach projected revenues and intense competition in the industry.

Going forward, the ability of the company to increase its scale of operations, to improve profitability, strengthen its capital structure, bring out foreign currency exposure policy , to manage export outstanding for prompt realization and manage its working capital efficiently will be the key rating sensitivities.

About the Company

Arya Sea Foods Private Limited, incorporated in Aug 2014 and registered office located at Visakhapatnam, Andhra Pradesh. Board of Directors of the company are Mr. Y Venkata Susrutha, Mrs. Y Vamsi Priya and Mr. G Ranga Rao. Company is engaged in processing of Shrimp at Cheruvvu Village, Veerasayaram Mandal, West Godavari(Dt.), Andhra Pradesh. Company has insatalled capacity of 36 Mt 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.

Firm Financial Performance

Based on audited financials of FY16, The company has reported a net revenue from operations of Rs. 12.93 Crores . Operating and net profit margins reported at 17.88% and 0.32 % in FY16. As informed by the management, the company has achieved net revenue of Rs.84.00 Crs during FY17.

Rating History for the last three years

Sl. No.	Instrument/ Facility	Current Rating (Year 2017)			Rating History		
		Type (Long Term/Short Term)	Amount (Rs Crs)	Rating	28/06/16	2015	2014
1	Bill Discounting (DB)	Short Term	12.50	BWR A4	BWR A4	Not Rated	Not Rated
2	Export Packing Credit (EPC)		15.00				
3	EPC (Sublimit Under DB)		(5.00)				
4	Bank Guarantee		0.50				

Hyperlink/Reference to applicable Criteria

[General Criteria](#)

[Manufacturing Companies](#)

[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 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 ₹ 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

Brickwork Ratings (BWR) has assigned the rating based on the information obtained from the issuer and other reliable sources, which are deemed to be accurate. BWR has taken considerable steps to avoid any data distortion; however, it does not examine the precision or completeness of the information obtained. And hence, the information in this report is presented “as is” without any express or implied warranty of any kind. BWR does not make any representation in respect to the truth or accuracy of any such information. The rating assigned by BWR should be treated as an opinion rather than a recommendation to buy, sell or hold the rated instrument and BWR shall not be liable for any losses incurred by users from any use of this report or its contents. BWR has the right to change, suspend or withdraw the ratings at any time for any reasons.