

August 07, 2015

Facility	Amount (Rs. Crore)	Rating
Cash Credit	45.00	SMERA BB/Stable (Assigned)

SMERA has assigned a long-term rating of '**SMERA BB**' (**read as SMERA double B**) to the above mentioned bank facilities of Zeal Aqua Private Limited (ZAPL). The outlook is '**Stable**'. The rating is supported by the company's experienced management and healthy business risk profile. However, the rating is constrained by the company's exposure to the highly competitive and fragmented aquaculture industry.

Outlook: Stable

SMERA believes the outlook on ZAPL will remain 'Stable' over the medium term on account of experience of the management and healthy business risk profile. The outlook may be revised to 'Positive' in case of further improvement in the company's scale of operations, while maintaining profitability. Conversely, the outlook may be revised to 'Negative' in case of deterioration in ZAPL's financial profile.

Rating Sensitivity

- Scalability of business while maintaining margins
- Working capital management
- Debt funded capex plan

About the Company

ZAPL, incorporated in 2009, is a Surat-based company engaged in the business of shrimp cultivation and trading of sea food. The company, promoted by Mr. Pradeep R. Navik and Mr. Shantilal Patel cultivates two major species of shrimps - 'Black Tiger Prawn' and 'Vannamei', in their 111 ponds. The company is also into satellite farming in 693 ponds in Surat district.

ZAPL registered profit after tax (PAT) of Rs.3.51 crore on revenue of Rs.135.99 crore for FY2013-14, as compared with PAT of Rs.1.42 crore on revenue of Rs.72.23 crore in FY2012-13. ZAPL's net worth stood at Rs.16.30 crore as on March 31, 2014, as compared with Rs.10.22 crore a year earlier.

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