



SMERA RATINGS LIMITED

Bathsha Marine Exports Private Limited (Bathsha Marine)

Rating Rationale

January 19, 2016

Facilities	Amount (Rs. Crore)	Ratings
Term Loans	4.40	SMERA B-/Stable (Assigned)
Packing Credit	2.50	SMERA A4 (Assigned)
FDBP/FUDBP	1.50	SMERA A4 (Assigned)
Short Term/Long Term Bank Facilities (Proposed)	0.45	SMERA B-/Stable/SMERA A4 (Assigned)

SMERA has assigned the long-term rating of '**SMERA B-**' (read as **SMERA B minus**) and short-term rating of '**SMERA A4**' (read as **SMERA A4**) to the Rs.8.85 crore bank facilities of Bathsha Marine Exports Private Limited (Bathsha Marine). The outlook is '**Stable**'.

The ratings are constrained by the limited track record of operations and weak financial risk profile driven by low net worth. The ratings also note that the company's business is exposed to intense competition in the seafood industry. However, the ratings draw comfort from the company's experienced management.

Rating Sensitivity Factor

- Achieving the envisaged sales and profitability

Outlook: Stable

SMERA believes that Bathsha Marine will continue to maintain a stable business risk profile over the medium term owing to its experienced management. The outlook may be revised to 'Positive' in case the company achieves sustained growth in revenues and improvement in profitability. Conversely, the outlook may be revised to 'Negative' in case of decline in revenues, profit margins or deterioration in the financial risk profile and liquidity position.

About the Company

The Kerala-based Bathsha Marine, was established in 1997 by Mr. Akbar Bathsha, Mrs. Sunitha Bathsha and Mr. Yazar Bathsha, Directors. The company is engaged in the processing of marine products and commercial production is expected to start in January, 2016 at Aroor. Currently, the company is earning rental income from its cold storage unit.

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Contact List:

Media/Business Development	Analytical Contact	Rating Desk
Antony Jose Vice President – Business Development Tel: +91-22-6714 1191 Email: antony.jose@smera.in Web: www.smera.in	Vinay Chhawchharia Associate Vice President – Corporate Ratings Tel: +91-22-6714 1156 Email: vinay.chhawchharia@smera.in	Tel: +91-22-6714 1184 Email: ratingdesk@smera.in

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