

Press Release

Bathsha Marine Exports Private Limited

22 August, 2017



Rating Downgraded

Total Bank Facilities Rated*	Rs.8.85 Cr
Long Term Rating	SMERA D (Downgraded from SMERA B-/Stable)
Short Term Rating	SMERA D (Downgraded from SMERA A4)

**Refer Annexure for details*

Rating Rationale

SMERA has downgraded the long term rating and short term rating on the Rs. 8.85 crore bank facilities of Bathsha Marine Exports Private Limited (Bathsha Marine) to '**SMERA D**' (**read as SMERA D**) from '**SMERA B-**' (**read as SMERA B minus**) and '**SMERA A4**' (**read as SMERA A four**).

The rating downgrade reflects delays in debt servicing on account of delay in export bills receivables by the company as it is export oriented unit.

Bathsha Marine, a Kerala-based company was established in 1997 by Mr. Akbar Bathsha, Mrs. Sunitha Bathsha and Mr. Yazar Bathsha. The company is engaged in the processing of marine products at Aroor.

List of key rating drivers and their detailed description

Strengths:

Experienced management: The company was incorporated in 1997 by Mr. Akbar Bathsha, Mrs. Sunitha Bathsha and Mr. Yazar Bathsha who possess more than a decade of experience in the said line of business.

Weaknesses

Delay in debt servicing and obligations: The rating reflects delays in servicing of debt obligations by Bathsha Marine on account of delay in export bills receivables by the company.

Stretched liquidity position: The liquidity position of the company is stretched marked by high GCA days of 178 for FY2016-17 (Provisional) as against 307 for FY2015-16. This is on account of high inventory holding period of 167 days for FY2016-17. The debtor days improved to 39 days in FY2016-17 as against 4291 days in FY2015-16.

Analytical Approach: SMERA has considered the standalone business and financial risk profiles of the company to arrive at the rating.

About the Rated Entity – key financials: In FY2016-17 (Provisional), Bathsha Marine reported profit after tax (PAT) of Rs. 0.21 crore on operating income of Rs.12.83 crore as against net loss of Rs. 0.34 crore on operating income of Rs.1.84 crore for FY2015-16. The net worth stood at Rs.1.52 crore as on 31 March, 2017 (Provisional) as against Rs.1.30 crore a year earlier.

Applicable Criteria

- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Application of Financial Ratios and Adjustments: <https://www.smera.in/criteria-fin-ratios.htm>
- Default Recognition: <https://www.smera.in/criteria-default.htm>

Status of non-cooperation with previous CRA: Not Applicable

Any other information: Not Applicable

Rating History for last three years:

Date	Name of Instrument/ Facilities	Term	Amount (Rs. Cr.)	Ratings/Outlook
	Term Loans	Long Term	4.40	SMERA B-* (Indicative)
	Packing Credit	Short Term	2.50	SMERA A4* (Indicative)
16 May, 2017	FDBP/FUDBP	Short Term	1.50	SMERA A4* (Indicative)
	Short term/Long term Bank facilities (Proposed)	Long Term/Short Term	0.45	SMERA B-* (Indicative)
19 Jan, 2016	Term Loans	Long Term	4.40	SMERA B-/Stable (Assigned)
	Packing Credit	Short Term	2.50	SMERA A4 (Assigned)
	FDBP/FUDBP	Short Term	1.50	SMERA A4 (Assigned)
	Short term/Long term Bank facilities (Proposed)	Long Term/Short Term	0.45	SMERA B- /Stable/SMERA A4 (Assigned)

**The issuer did not co-operate, based on best available information*

***Annexure – Details of instruments rated**

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Term Loan I	NA	NA	NA	4.40	SMERA D (Downgraded from SMERA B-/Stable)
Packing Credit	NA	NA	NA	2.50	SMERA D (Downgraded from SMERA A4)
FDBP/FUDBP	NA	NA	NA	1.50	SMERA D (Downgraded from SMERA A4)
Proposed facilities	NA	NA	NA	0.45	SMERA D (Downgraded from SMERA B-/Stable)

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ABOUT SMERA

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