

## Press Release

### GREAT WIN EXPORTS

13 February, 2018



#### Rating Reaffirmed

<b>Total Bank Facilities Rated*</b>	Rs. 8.00 Cr.
<b>Short Term Rating</b>	SMERA A4

\* Refer Annexure for details

#### Rating Rationale

SMERA has reaffirmed the short term rating of '**SMERA A4**' (**read as SMERA A four**) on the Rs. 8.00 crore bank facilities of GREAT WIN EXPORTS. The outlook is '**Stable**'.

Established in 2014, Great Win Exports (GWE) is a Chennai-based partnership firm established by Mr. Antony and Mr. Lalichan. The firm is engaged in the processing and export of sea food (mainly shrimps) to Vietnam, China and France.

#### Key Rating Drivers

##### Strengths

- **Experienced management**

GWE is promoted by Mr. A. Lalichan and Mr. Antony who have more than two decades of experience in the seafood industry.

- **Moderate scale of operations**

The scale of operations is moderate with operating revenue of Rs.44.49 crore for FY2017 as compared to Rs21.94 crore for FY2016. The firm registered operating revenue of Rs 88 crore for April- December 2017.

##### Weaknesses

- **Weak financial risk profile**

The financial risk profile is weak marked by gearing of 6.27 times for FY2017 and 1.63 times in FY2016. However, the total debt of Rs 8.56 crore includes unsecured interest free loan from related parties amounting to 2.41 repayable on demand. The remaining debt consists of term loan of Rs 0.12 crore and cash credit of Rs 5.99 crore. The Interest Coverage Ratio (ICR) stood at 2.20 times for FY2017 and Debt Service Coverage Ratio (DSCR) at 1.83 times. The Net Cash accruals to Total Debt (NCA/TD) stood at 0.04 times in FY2017 as against 0.12 times in FY2016.

- **Decline in profitability**

The firm operates at thin profit margins in line with the trading nature of business. The operating margin stood at 1.80 per cent in FY2017 compared to 2.40 per cent in FY2016. The net profit margin stood at 0.59 per cent in FY2017 compared to 1.05 per cent in FY2016. The sharp decline is attributed to intense market competition.

#### Analytical Approach

SMERA has considered the standalone business and financial risk profile of GWE.

#### Outlook: Stable

SMERA believes that the outlook on GWE's rated facilities will remain stable over the medium term on

account of its promoter's extensive experience in the industry. The outlook may be revised to 'Positive' in case of strong growth in scale of operations while sustaining improvement in profit margins. Conversely, the outlook may be revised to 'Negative' in case of deterioration in the scale of operations, profitability and capital structure.

#### About the Rated Entity - Key Financials

	Unit	FY17 (Actual)	FY16 (Actual)	FY15 (Actual)
Operating Income	Rs. Cr.	44.49	21.94	1.07
EBITDA	Rs. Cr.	0.80	0.53	0.04
PAT	Rs. Cr.	0.26	0.23	0.02
EBITDA Margin	(%)	1.80	2.40	3.73
PAT Margin	(%)	0.59	1.05	1.56
ROCE	(%)	11.50	24.88	16.58
Total Debt/Tangible Net Worth	Times	6.28	1.63	1.86
PBDIT/Interest	Times	2.20	2.02	1.73
Total Debt/PBDIT	Times	10.46	4.04	7.79
Gross Current Assets (Days)	Days	79	75	468

#### Any other information

Not Applicable

#### Applicable Criteria

- Default Recognition - <https://www.smera.in/criteria-default.htm>
- Trading Entities - <https://www.smera.in/criteria-trading.htm>
- Manufacturing Entities - <https://www.smera.in/criteria-manufacturing.htm>
- Financial Ratios And Adjustments - <https://www.smera.in/criteria-fin-ratios.htm>

#### Note on complexity levels of the rated instrument

<https://www.smera.in/criteria-complexity-levels.htm>

#### Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount (Rs. Crore)	Ratings/Outlook
28-Nov, 2016	Packing Credit	Short Term	INR 6	SMERA A4
	Bills Discounting	Short Term	INR 2	SMERA A4

#### \*Annexure - Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	6.00	SMERA A4
Bills Discounting	Not Applicable	Not Applicable	Not Applicable	2.00	SMERA A4

## Contacts

Analytical	Rating Desk
Vinayak Nayak Head – Ratings Operations Tel: 022-67141190 <a href="mailto:vinayak.nayak@smera.in">vinayak.nayak@smera.in</a>	Varsha Bist Manager - Rating Desk Tel: 022-67141160 <a href="mailto:varsha.bist@smera.in">varsha.bist@smera.in</a>
Swati Banthia Analyst - Rating Operations Tel: 022-67141116 <a href="mailto:swati.banthia@smera.in">swati.banthia@smera.in</a>	

## ABOUT SMERA

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