



Press Release
AKASH FISHMEAL AND FISHOIL PRIVATE LIMITED
May 05, 2025
Rating Reaffirmed and Withdrawn

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	33.57	ACUITE BB- Reaffirmed & Withdrawn	-
Bank Loan Ratings	11.43	Not Applicable Withdrawn	-
Total Outstanding Quantum (Rs. Cr)	0.00	-	-
Total Withdrawn Quantum (Rs. Cr)	45.00	-	-

Rating Rationale

Acuité has reaffirmed and withdrawn the long-term rating of ‘**ACUITE BB-**’ (read as **ACUITE Double B Minus**) on the bank facilities of Rs. 33.57 Cr. of Akash Fishmeal and Fishoil Private Limited (AFFPL). The rating has been withdrawn on account of the request received from the company, and the NOC (No Objection Certificate) received from the bankers.

Acuité has withdrawn the long-term rating on Rs. 11.43 Cr. facility without assigning any rating as it is a proposed facility of Akash Fishmeal and Fishoil Private Limited (AFFPL). The rating has been withdrawn on account of the request received from the company.

The rating has been withdrawn on Acuité's policy of withdrawal of ratings as applicable to the respective instrument/facility.

Rationale for Rating

The rating reflects the stable business risk profile as reflected from the increased revenue of the company which stood at Rs.222.28 Cr. as on FY2024 and Rs. 116.52 Cr. in FY2023. However, the EBITDA margin of the company stood at 10.86% in FY2024 against 17.69% in FY2023. The cause of the declining margin in FY2024 is that production had halted in June and July 2023 due to a government rule prohibiting fishing during these two months. Additionally, because the company is largely into exports, there were expenses associated with the increased cost of fish, which the company was unable to pass on to the customers. The financial risk profile of the company remained average marked by improving net worth, moderate gearing and healthy debt protection metrics. The rating also takes into cognizance the decline of more than 50% in the topline of the company with declining profitability during FY25 because of the adverse market condition. Further, the strengths are offset by highly fragmented nature of industry and susceptibility of margins to fluctuating raw material prices.

About the Company

Incorporated in the year 2015, AFFPL is a Sindhudurg, Maharashtra based company. The company is engaged in the manufacturing of fishmeal and fish oil. The installed capacity is 550 MT per day. The operations of the company are handled by Mr. Thota Mohammed Suhel, Mr. Fairouz Thota, Mr. Thota Jaaved, and others.

Unsupported Rating

Not Applicable

Analytical Approach

Acuité has taken a standalone view of the business and financial risk profile of AFFPL to arrive at the rating.

Key Rating Drivers

Strengths

Experienced Management

AFFPL was incorporated in the year 2015. The promoters of the company have more than two decades of experience in the seafood industry. The promoters of the company also have two other companies, namely, Goan Fresh Marine Exports Private Limited and Ocean Pearl Fisheries, which are engaged in the business of processing and cutting marine products. The extensive experience of the promoters has helped the company to maintain a healthy relationship with its customers and suppliers.

Increasing Revenue albeit declining Profitability

The revenue of the company stood at Rs. 222.28 Cr. as on FY2024 and Rs. 116.52 Cr. in FY2023. The EBITDA margin of the company stood at 10.86% in FY2024 against 17.69% in FY2023. The cause of the declining margin in FY2024 is that fishing activities were stopped in June and July 2023 due to a halt put by government rule prohibiting fishing during these two months. Additionally, because the company is largely into exports, there were expenses associated with the increased cost of fish, which the company was unable to pass on to the customers. Moreover, the PAT margin stood at 6.39% for FY2024 as compared to 10.56% for FY2023.

Average financial risk profile

The financial risk profile of the company remained average marked by improving net worth, moderate gearing and robust debt protection metrics. The net worth of Rs. 29.98 Cr. as on FY2024 as against Rs.15.78 Cr. as on FY2023 due to accretion to reserves. The gearing (debt-equity) stood at 1.28 times as on FY2024 as against 2.35 times as on FY2023. The total debt of Rs. 38.31 Cr. as on FY2024 consists of long-term of Rs. 8.17 Cr. and short term of Rs.29.89 Cr. of bank borrowings. The interest coverage ratio stood at 7.63 times for FY2024 as against 8.00 times for FY2023. The DSCR stood at 5.95 times for FY2024 as compared to 6.39 times for FY2023. The Net Cash Accruals to Total debt stood at 0.42 times for FY2024 as against 0.39 times for FY2023. The Total outside liabilities to Tangible net worth stood high at 1.70 times for FY2024 as against 3.66 times in FY2023.

Weaknesses

Highly fragmented industry and susceptibility of margins to fluctuating raw material prices:

The margins are highly susceptible to fluctuating raw material prices since, raw material accounts for 78-80 percent of the aggregate revenue. Further, the availability of raw material is seasonal in nature and the prices vary in tandem with the catch in each market. In addition, fishmeal industry is highly fragmented; the company faces competition from organised and unorganised players thereby limiting its pricing flexibility and bargaining power with customers.

Rating Sensitivities

Not Applicable

Liquidity Position

Adequate

The company has an adequate liquidity profile as reflected from its high GCA days of 93 days in FY2024 due to high debtor and inventory days. The bank limit utilisation of the company stood at 80% till March 2025. Current ratio stood modest at 1.33 times in FY2024. Acuité believes liquidity profile will continue to remain stretched in the medium term due to high working capital requirement. The total debt of Rs.38.31 Cr. The Net Cash Accruals stood at 16.28 times for FY2024 as against 14.30 times for FY2023.

Outlook: Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 24 (Actual)	FY 23 (Actual)
Operating Income	Rs. Cr.	222.28	116.52
PAT	Rs. Cr.	14.19	12.31
PAT Margin	(%)	6.39	10.56
Total Debt/Tangible Net Worth	Times	1.28	2.35
PBDIT/Interest	Times	7.63	8.00

Status of non-cooperation with previous CRA (if applicable)

Not Applicable

Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)

Not applicable

Any other information

None

Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
19 Aug 2024	Cash Credit	Long Term	20.00	ACUITE BB- Stable (Reaffirmed)
	Cash Credit	Long Term	10.00	ACUITE BB- Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	9.50	ACUITE BB- Stable (Reaffirmed)
	Proposed Long Term Bank Facility	Long Term	1.93	ACUITE BB- Stable (Assigned)
	Covid Emergency Line.	Long Term	0.44	ACUITE BB- Stable (Assigned)
	Covid Emergency Line.	Long Term	1.78	ACUITE BB- Stable (Assigned)
	Term Loan	Long Term	1.35	ACUITE BB- Stable (Assigned)
30 Nov 2023	Cash Credit	Long Term	20.00	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
	Proposed Long Term Bank Facility	Long Term	9.50	ACUITE BB- Stable (Upgraded from ACUITE B+ Stable)
19 Oct 2022	Cash Credit	Long Term	20.00	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
	Proposed Long Term Bank Facility	Long Term	9.50	ACUITE B+ Stable (Upgraded from ACUITE B Stable)
05 Jan 2022	Proposed Long Term Bank Facility	Long Term	9.50	ACUITE B Stable (Reaffirmed)
	Cash Credit	Long Term	20.00	ACUITE B Stable (Reaffirmed)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Canara Bank	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.00	Simple	ACUITE BB- Reaffirmed & Withdrawn
Canara Bank	Not avl. / Not appl.	Covid Emergency Line.	31 Dec 2021	Not avl. / Not appl.	01 Nov 2026	0.44	Simple	ACUITE BB- Reaffirmed & Withdrawn
Canara Bank	Not avl. / Not appl.	Covid Emergency Line.	10 Nov 2020	Not avl. / Not appl.	01 Nov 2024	1.78	Simple	ACUITE BB- Reaffirmed & Withdrawn
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	11.43	Simple	Not Applicable Withdrawn
Canara Bank	Not avl. / Not appl.	Term Loan	08 Sep 2022	Not avl. / Not appl.	01 Dec 2029	1.35	Simple	ACUITE BB- Reaffirmed & Withdrawn

Contacts

Mohit Jain Senior Vice President-Rating Operations	Contact details exclusively for investors and lenders
Shubham Jain Associate Analyst-Rating Operations	Mob: +91 8591310146 Email ID: analyticalsupport@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité. Please visit <https://www.acuite.in/faqs.htm> to refer FAQs on Credit Rating.

Note: None of the Directors on the Board of Acuité Ratings & Research Limited are members of any rating committee and therefore do not participate in discussions regarding the rating of any entity.