

Press Release

Mourya Aquex Private Limited

April 11, 2019

Rating Assigned



Total Bank Facilities Rated*	Rs. 45.00 Cr.
Long Term Rating	ACUITE B+ / Outlook: Stable
Short Term Rating	ACUITE A4

* Refer Annexure for details

Rating Rationale

Acuite has assigned long-term rating of '**ACUITE B+**' (read as **ACUITE B plus**) and short term rating of '**ACUITE A4**' (read as **ACUITE A four**) to the Rs. 45.00 crore bank facilities of Mourya Aquex Private Limited (MAPL). The outlook is '**Stable**'.

Incorporated in 2017, MAPL is a Andhra Pradesh based company currently undertaking a greenfield project to set up a sea food processing plant with facilities viz Individual quick freezer, feed, plant, cold storage, modern deep freezing plant for processing of shrimps, lob star and crab. The company is promoted by Mr. Thota Pandu Ranga Jagadish and Mrs. Thota Sireesha.

Analytical Approach

Acuite has considered the standalone business and financial risk profiles of MAPL to arrive at this rating.

Key Rating Drivers

Strengths

- **Experienced management**

This promoters have experience in the export of frozen shrimp for last two decades through another entity under the name of M/ s. Jagadeesh Marine Exports.

Weaknesses

- **No operational track record**

The company is undertaking a greenfield project to set up a sea food processing plant. The total project cost is Rs.90.50 crore in Phase I and Rs.20.00 crore in Phase II. Phase I is completed and trial run is expected to commence from March 2019 with production to commence from April 2019, while Phase II is likely to be completed by May 2019. The project has been funded through ~ 60 percent of equity, 28 percent of bank loan and balance through grant from Pradhan Mantri Kisan SAMPADA Yojana by Ministry of Food Processing Industries (MoFPI). Going forward, early ramp up and stabilisation of operations will remain a key rating sensitivity.

- **Presence in highly fragmented and competitive shrimp export industry**

Once the company commences its operations it will face stiff competition from the large number of player present in the market.

Liquidity

Not Applicable as operations are yet to commence.

Outlook: Stable

Acuite believes that MAPL will maintain 'Stable' outlook over the medium term from experienced management. The outlook may be revised to 'Positive' in case the company commences operations as per schedule and ramps up its scale and registers revenue and profitability higher than expected. Conversely, the outlook may be revised to 'Negative' in case the company delays in commencing its operations, thereby achieving lower revenue and profitability.

About the Rated Entity - Key Financials

Not Applicable as operations are yet to commence.

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

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>
- Manufacturing Entities - <https://www.acuite.in/view-rating-criteria-4.htm>

Note on complexity levels of the rated instrument

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

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Term loans	Not Applicable	Not Applicable	Not Applicable	20.00	ACUITE B+ / Stable
Term loans	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE B+ / Stable
PC/PCFC	Not Applicable	Not Applicable	Not Applicable	5.00	ACUITE A4
FBN/FBP/FBD/PSFC/FBE	Not Applicable	Not Applicable	Not Applicable	10.00	ACUITE A4

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About Acuité Ratings & Research:

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