



Apex Frozen Foods Private Limited

Instrument	Amount in Rs crore	Rating Action
Unallocated Limits (Long-term/Short-term)	12.00	[ICRA]BBB-(Stable)/ [ICRA]A3 Assigned

ICRA has assigned a long-term rating of [ICRA]BBB- (pronounced ICRA Triple B minus) and a short-term rating of [ICRA]A3 (pronounced ICRA A three) to the Rs. 12.00 crore unallocated limits of Apex Frozen Foods Private Limited (AFFPL / the company)[†]. The outlook on the long-term rating is Stable.

The assigned ratings positively factor in the significant experience of the promoters in the shrimp exports business; established relationship with shrimp customers which has resulted in repeat orders, and the benefits arising from the favorable location of its processing facilities being in proximity to the major aquaculture belt of Andhra Pradesh. Further, partially integrated nature of operations with company cultivating shrimps in owned and leased lands is likely to ensure shrimp availability with better yield on the back of good quality farm management practices. The ratings also factor in the moderate profitability levels with operating margins at 7.38% & net margins at 3.85% for 9M FY 2015, and moderate coverage indicators with interest coverage ratio of 7.80 times, NCA/Debt at 31% and Total debt/OPBDIT at 2.00 times for 9M FY 2015.

The ratings, however, are constrained by the downward pressure in shrimp prices in FY2015 owing to improved global supply; vulnerability of revenues and margins to factors such as exchange rate volatility, diseases, agro-climatic conditions and Government policies (both in India and importing countries) and high geographical concentration risks, with ~90% of its produce being sold to the US market, which is also the highest consumer of shrimps in the world. AFFPL also faces competition due to the fragmented nature of the domestic shrimp processing industry as well as competition from other shrimp exporting nations, which limit margins of Indian exporters.

The ability of the company to sustain its revenue growth and effectively manage its working capital requirements while maintaining healthy profitability levels remains the key rating sensitivities from credit perspective.

Company Profile

Apex Frozen Foods Private Limited (AFFPL) is promoted by Mr. K.S. Choudhary and Mr. K. Satyanarayana Murthy and is into processing and exporting seafood from 1997. It was founded as a partnership firm under the name of Apex Exports in 1997, which was later converted into a private limited company in March 2012. The promoters have more than 18 years experience in processing and exporting of shrimps. AFFPL has a processing plant at Panasapadu, Kakinada, Andhra Pradesh, with an installed raw material processing facility of 45 tons per day (TPD).

June 2015

For further details please contact:

Analyst Contacts:

Mr. K. Ravichandran, (Tel. No. +91-44-45964301)
ravichandran@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee (Tel. No. +91-80-43326401)
jayantac@icraindia.com

* 100 lakh = 1 crore = 10 million

[†]For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.



© Copyright, 2015, ICRA Limited. All Rights Reserved.
Contents may be used freely with due acknowledgement to ICRA

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.

**Registered Office****ICRA Limited**

1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi 110001
Tel: +91-11-23357940-50, Fax: +91-11-23357014

Corporate Office**Mr. Vivek Mathur**

Mobile: 9871221122

Email: vivek@icraindia.com

Building No. 8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122002
Ph: +91-124-4545310 (D), 4545300 / 4545800 (B) Fax; +91- 124-4050424

Mumbai**Mr. L. Shivakumar**

Mobile: 9821086490

Email: shivakumar@icraindia.com

1802, 18th Floor, Tower 3,
Indiabulls Finance Centre,
Senapati Bapat Marg,
Elphinstone, Mumbai 400013,
Board : +91-22-61796300; Fax: +91-22-24331390

Kolkata**Mr. Jayanta Roy**

Mobile: +91 9903394664

Email: jayanta@icraindia.com

A-10 & 11, 3rd Floor, FMC Fortuna
234/3A, A.J.C. Bose Road
Kolkata—700020
Tel +91-33-22876617/8839 22800008/22831411,
Fax +91-33-22870728

Chennai**Mr. Jayanta Chatterjee**

Mobile: 9845022459

Email: jayantac@icraindia.com

5th Floor, Karumuttu Centre
634 Anna Salai, Nandanam
Chennai—600035
Tel: +91-44-45964300; Fax: +91-44 24343663

Bangalore**Bangalore****Mr. Jayanta Chatterjee**

Mobile: 9845022459

Email: jayantac@icraindia.com

'The Millenia'
Tower B, Unit No. 1004, 10th Floor, Level 2 12-14, 1 & 2,
Murphy Road, Bangalore 560 008
Tel: +91-80-43326400; Fax: +91-80-43326409

Ahmedabad**Mr. L. Shivakumar**

Mobile: 989986490

Email: shivakumar@icraindia.com

907 & 908 Sakar -II, Ellisbridge,
Ahmedabad- 380006
Tel: +91-79-26585049, 26585494, 26584924; Fax: +91-
79-25569231

Pune**Mr. L. Shivakumar**

Mobile: 989986490

Email: shivakumar@icraindia.com

5A, 5th Floor, Symphony, S.No. 99, CTS 3909, Range Hills
Road, Shivajinagar, Pune-411 020
Tel: + 91-20-25561194-25560196; Fax: +91-20-25561231

Hyderabad**Mr. Jayanta Chatterjee**

Mobile: 9845022459

Email: jayantac@icraindia.com

4th Floor, Shobhan, 6-3-927/A&B, Somajiguda, Raj
Bhavan Road, Hyderabad—500083
Tel:- +91-40-40676500