

Press Release

Karavali Ocean Products Private Limited

August 03, 2021



Rating Update

Total Bank Facilities Rated*	Rs.14.00 Cr.
Long Term Rating	ACUITE D (Downgraded from ACUITE B+) *Issuer not cooperating
Short Term Rating	ACUITE D (Downgraded from ACUITE A4) *Issuer not cooperating

* Refer Annexure for details

Rating Rationale

Acuité has downgraded the long term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE B+**' (read as **ACUITE B plus**) and the short term rating to '**ACUITE D**' (read as **ACUITE D**) from '**ACUITE A4**' (read as **ACUITE A four**) on the Rs.14.00 crore bank facilities of Karavali Ocean Products Private Limited (KOPL).

The downgrade is on the basis of publicly available information that the lenders of the company have classified this account as Non-performing Asset as there has been continued delays in the servicing of its funded limits.

About the company

Incorporated in 2011, Karavali Ocean Products Private Limited (KOPL), part of the Karnataka-based Karavali Group is engaged in the processing and export of seafood to US, Canada, China, Thailand, Middle East, South East and Asian countries. The Company is promoted by Mr. Udaya Shetty, Mr. Lohith Kumar and Mrs. Namitha Shetty who are having over a decade of experience in the sea food industry. The processing facility/plant is located in Manoor Village in Udupi Dist. The company's storage capacity is 1080 MT while the freezing capacity stands at 73 metric tons per day.

Non-cooperation by the issuer/borrower:

Acuité has been requesting for data, information and undertakings from the rated entity for conducting surveillance & review of the rating. However, the issuer/borrower failed to submit such information before due date. This rating is therefore being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

Analytical Approach

Acuité has considered standalone business and financial risk profiles of KOPL to arrive at the rating.

Applicable Criteria

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

Limitation regarding information availability:

The rating is based on information available from sources other than the issuer/borrower (in the absence of information provided by the issuer/borrower). Acuité endeavored to gather information about the entity/industry from the public domain. Therefore, Acuité cautions lenders and investors regarding the use of such information, on which the indicative credit rating is based.

Liquidity Indicators - "No information provided by the issuer / available for Acuite to comment upon."

Rating Sensitivity - "No information provided by the issuer / available for Acuite to comment upon."

About the Rated Entity - Key Financials

The rated entity has not shared the latest financial statements despite repeated requests.

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

None

Any other information

Acuité is yet to receive the latest No Default Statement (NDS) from the rated entity, despite repeated requests and follow-ups.

Rating History (Upto last three years)

Date	Name of Instrument / Facilities	Term	Amount	Ratings/Outlook
			(Rs. Crore)	
01 April 2021	Term Loan	Long term	0.07	ACUITE B+ Issuer not co-operating*
	Packing Credit	Short Term	13.93	ACUITE A4 Issuer not co-operating*
08 January 2020	Term Loan	Long term	0.07	ACUITE BB- Issuer not co-operating*
	Packing Credit	Short Term	13.93	ACUITE A4+ Issuer not co-operating*
05 October 2018	Term Loan	Long term	0.07	ACUITE BB- Issuer not co-operating*
	Packing Credit	Short Term	13.93	ACUITE A4+ Issuer not co-operating*

*Annexure – Details of instruments rated

Lender Name	Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Cr.)	Ratings/Outlook
Canara Bank	Term Loan	Not Available	Not Available	Not Available	0.07	ACUITE D (Downgraded) *Issuer not cooperating
Canara Bank	Packing Credit	Not Applicable	Not Applicable	Not Applicable	13.93	ACUITE D (Downgraded) *Issuer not cooperating

Contacts

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About Acuité Ratings & Research:

Acuité Ratings & Research Limited is a full-service Credit Rating Agency registered with the Securities and 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. Since then, it has assigned more than 6,000 credit 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 Mumbai.

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