Press Release

Karavali Ocean Products Private Limited

November 01, 2022

Rating Reaffirmed and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	0.07	ACUITE D | Reaffirmed | Issuer not co-operating*	-
Bank Loan Ratings	13.93	-	ACUITE D | Reaffirmed | Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	14.00	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

Rating Rationale

Acuité has reaffirmed the long term rating to **'ACUITE D' (read as ACUITE D)** and short term rating to **'ACUITE D' (read as ACUITE D)** to the Rs.14.00 crore bank facilities of Karavali ocean products private limited. The rating continues to be flagged as "Issuer Not Cooperating" and is based on the best available information.

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 the due date. Acuité believes that information risk is a critical component in such ratings, and noncooperation by the issuer along with unwillingness to provide information could be a sign of potential deterioration in its overall credit quality. This rating is, therefore, being flagged as "Issuer not-cooperating", in line with prevailing SEBI regulations and Acuité's policies.

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.

About the Rated Entity - Key Financials
The rated entity has not shared the latest financial statements despite repeated requests.

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

Material Covenants
None.

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

Outlook
Not Applicable.

Other Factors affecting Rating
None.

Status of non-cooperation with previous CRA
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.

Applicable Criteria
- Manufacturing Entities: https://www.acuite.in/view-rating-criteria-59.htm
- Default Recognition: https://www.acuite.in/view-rating-criteria-52.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, Acuité 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
03 Aug 2021	Packing Credit	Short Term	13.93	ACUITE D (Downgraded and Issuer not co-operating*)
	Term Loan	Long Term	0.07	ACUITE D (Downgraded and Issuer not co-operating*)
01 Apr 2021	Term Loan	Long Term	0.07	ACUITE B+ (Downgraded and Issuer not co-operating*)
	Packing Credit	Short Term	13.93	ACUITE A4 (Downgraded and Issuer not co-operating*)
08 Jan 2020	Packing Credit	Short Term	13.93	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	0.07	ACUITE BB- (Issuer not co-operating*)
05 Oct 2018	Packing Credit	Short Term	13.93	ACUITE A4+ (Issuer not co-operating*)
	Term Loan	Long Term	0.07	ACUITE BB- (Issuer not co-operating*)
25 Jul 2017	Packing Credit	Short Term	13.93	ACUITE A4+ (Reaffirmed)
	Term Loan	Long Term	0.07	ACUITE BB- | Stable (Reaffirmed)
09 Mar 2016	Term Loan	Long Term	4.10	ACUITE BB- | Stable (Assigned)
	Proposed Working Capital Demand Loan	Long Term	0.90	ACUITE BB- | Stable (Assigned)
	Packing Credit	Short Term	9.00	ACUITE A4+ (Assigned)

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Rating
Canara Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	13.93	ACUITE D | Reaffirmed | Issuer not co-operating*
Canara Bank	Not Applicable	Term Loan	Not available	Not available	Not available	0.07	ACUITE D | Reaffirmed | Issuer not co-operating*

Contacts

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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.