

## Press Release

**Mangala Marine Exim India Private Limited**

**February 23, 2023**



### Rating Downgraded and Issuer not co-operating

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	20.50	ACUITE BB+   Downgraded   Issuer not co-operating*	-
Bank Loan Ratings	112.50	-	ACUITE A4+   Downgraded   Issuer not co-operating*
Total Outstanding Quantum (Rs. Cr)	133.00	-	-

### Rating Rationale

Acuite has downgraded its long term rating to '**ACUITE BB+**' (read as **ACUITE double B plus**) and short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) on the Rs.133.00Cr bank facilities of Mangala Marine Exim India Private Limited (MMEIP). The rating is now an indicative as 'Issuer Not Cooperating' and based on best available information. The rating has been downgraded on account of information risk.

### About the Company

Kochi based, MMEIPL was incorporated in 2002 by Mr. Premchand Bhat, Mr. Sreenivasa Bhat, Mr. Ashok Bhat and Mr. Suresh Bhat. The company is a part of the Mangala Group which is engaged in the seafood industry since a significant amount of time. The firm is engaged in the processing and export of sea food products i.e. shrimps, cuttle fish, squid, octopus, to name a few to US, Canada, Europe, Japan and China. The firm procures the catch from the southern coastal districts of Kerala, Andhra Pradesh and Tamil Nadu. The company has 3 processing units with 1 tunnel freezer, 1 horizontal block processor. MMEIPL also has its own warehouse with a capacity to hold 3000 Metric Tons.

### About the Group

Mangala Group, promoted by Mr. Premchand Bhat, Mr. Sreenivasa Bhat, Mr. Ashok Bhat and Mr. Suresh Bhat. The group comprises of Mangala Sea Foods, engaged in processing and exporting of shrimps and cuttle fish, Mangala Marine Exim India Private Limited, engaged in the processing and export of sea food products i.e. shrimps, cuttle fish, squid, octopus, to name a few.

### Non-cooperation by the issuer/borrower

Acuite 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. Acuite 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 continues to be 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

### **Rating Sensitivities**

"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

### **Key Financials**

Particulars	Unit	FY 21 (Provisional)	FY 20 (Actual)
Operating Income	Rs. Cr.	361.29	364.74
PAT	Rs. Cr.	6.63	4.46
PAT Margin	(%)	1.84	1.22
Total Debt/Tangible Net Worth	Times	1.41	1.39
PBDIT/Interest	Times	2.46	2.01

### **Status of non-cooperation with previous CRA**

None

### **Any other information**

None

### **Applicable Criteria**

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
01 Dec 2021	Term Loan	Long Term	8.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Working Capital Demand Loan	Long Term	1.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Working Capital Demand Loan	Long Term	5.00	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Letter of Credit	Short Term	12.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bills Discounting	Short Term	22.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Packing Credit	Short Term	28.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	20.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Term Loan	Long Term	1.15	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Packing Credit	Short Term	8.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bills Discounting	Short Term	20.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Proposed Bank Facility	Long Term	5.35	ACUITE BBB   Stable (Upgraded from ACUITE BBB-   Stable)
	Bank Guarantee	Short Term	2.50	ACUITE A3+ (Upgraded from ACUITE A3)
24 Jul 2020	Packing Credit	Short Term	8.00	ACUITE A3 (Reaffirmed)
	Packing Credit	Short Term	28.00	ACUITE A3 (Reaffirmed)
	Bills Discounting	Short Term	20.00	ACUITE A3 (Reaffirmed)
	Proposed Bank Facility	Long Term	1.64	ACUITE BBB-   Stable (Reaffirmed)
	Working Capital Demand Loan	Long Term	5.00	ACUITE BBB-   Stable (Assigned)
	Bills Discounting	Short Term	22.00	ACUITE A3 (Reaffirmed)
	Bills Discounting	Short Term	30.00	ACUITE A3 (Assigned)
	Bills Discounting	Short Term	12.00	ACUITE A3 (Assigned)
	Term Loan	Long Term	3.86	ACUITE BBB-   Stable (Reaffirmed)
	Bank Guarantee	Short Term	2.50	ACUITE A3 (Reaffirmed)
	Standby Line of Credit	Short Term	10.00	ACUITE A3 (Withdrawn)

02 Jul 2020	Proposed Bank Facility	Long Term	0.64	ACUITE BBB-   Stable (Reaffirmed)
	Bills Discounting	Short Term	22.00	ACUITE A3 (Reaffirmed)
	Packing Credit	Short Term	8.00	ACUITE A3 (Assigned)
		Short		
	Bills Discounting	Term	20.00	ACUITE A3 (Assigned)
	Bank Guarantee	Short Term	2.50	ACUITE A3 (Reaffirmed)
	Packing Credit	Short Term	28.00	ACUITE A3 (Reaffirmed)
	Term Loan	Long Term	3.86	ACUITE BBB-   Stable (Reaffirmed)

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
State Bank of India	Not Applicable	Bank Guarantee/Letter of Guarantee	Not Applicable	Not Applicable	Not Applicable	Simple	2.50	ACUITE A4+   Downgraded   Issuer not co-operating*
South Indian Bank	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE A4+   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	Bills Discounting	Not Applicable	Not Applicable	Not Applicable	Simple	22.00	ACUITE A4+   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	Covid Emergency Line.	Not Applicable	Not Applicable	Not Applicable	Simple	5.00	ACUITE BB+   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	Covid Emergency Line.	Not Applicable	Not Applicable	Not Applicable	Simple	1.00	ACUITE BB+   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	Funded Interest Term Loan	Not Applicable	Not Applicable	Not Applicable	Simple	1.15	ACUITE BB+   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	20.00	ACUITE A4+   Downgraded   Issuer not co-operating*
South Indian Bank	Not Applicable	Letter of Credit	Not Applicable	Not Applicable	Not Applicable	Simple	12.00	ACUITE A4+   Downgraded   Issuer not co-operating*
State Bank of India	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	28.00	ACUITE A4+   Downgraded   Issuer not co-

								operating*
South Indian Bank	Not Applicable	PC/PCFC	Not Applicable	Not Applicable	Not Applicable	Simple	8.00	ACUITE A4+   Downgraded   Issuer not co- operating*
Not Applicable	Not Applicable	Proposed Long Term Bank Facility	Not Applicable	Not Applicable	Not Applicable	Simple	5.35	ACUITE BB+   Downgraded   Issuer not co- operating*
State Bank of India	Not Applicable	Term Loan	Not available	Not available	Not available	Simple	8.00	ACUITE BB+   Downgraded   Issuer not co- operating*

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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.

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