

Press Release

MANGALA MARINE EXIM INDIA PRIVATE LIMITED

May 23, 2024

Rating Downgraded, Reaffirmed and Issuer not co-operating



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Ra
Bank Loan Ratings	20.50	ACUITE BB Downgraded Issuer not co-operating*	-
Bank Loan Ratings	112.50	-	ACUITE A4+ Reaffirmed 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) from 'ACUITE BB+' (read as ACUITE double B plus) and reaffirmed the short term rating of 'ACUITE A4+' (read as ACUITE A four plus) on the Rs.133.00 Cr. bank facilities of Mangala Marine Exim India Private Limited (MMEIP). The rating continues to be flagged as "Issuer Not-Cooperating" and is 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 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.

Unsupported Rating

Not Applicable

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 non-cooperation 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 Acuite'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). Acuite 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 Sensitivity

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

Liquidity Position

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

Outlook

Not Applicable

Other Factors affecting Rating

None

Key Financials

Particulars	Unit	FY 23 (Actual)	FY 22 (Actual)
Operating Income	Rs. Cr.	350.54	337.41
PAT	Rs. Cr.	2.92	1.09
PAT Margin	(%)	0.83	0.32
Total Debt/Tangible Net Worth	Times	1.86	1.89
PBDIT/Interest	Times	1.69	1.68

Status of non-cooperation with previous CRA

Not Applicable

Any other information

None

Applicable Criteria

- Rating Process and Timeline: <https://www.acuite.in/view-rating-criteria-67.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>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.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. Acuité'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
23 Feb 2023	Bank Guarantee/Letter of Guarantee	Short Term	2.50	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Bills Discounting	Short Term	20.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Bills Discounting	Short Term	22.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Covid Emergency Line.	Long Term	5.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Covid Emergency Line.	Long Term	1.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Funded Interest Term Loan	Long Term	1.15	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Letter of Credit	Short Term	20.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Letter of Credit	Short Term	12.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	PC/PCFC	Short Term	8.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	PC/PCFC	Short Term	28.00	ACUITE A4+ (Downgraded & Issuer not co-operating* from ACUITE A3+)
	Proposed Long Term Bank Facility	Long Term	5.35	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
	Term Loan	Long Term	8.00	ACUITE BB+ (Downgraded & Issuer not co-operating* from ACUITE BBB Stable)
01 Dec 2021	Bank Guarantee/Letter of Guarantee	Short Term	2.50	ACUITE A3+ (Upgraded from ACUITE A3)
	Bills Discounting	Short Term	20.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Bills Discounting	Short Term	22.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Covid Emergency Line.	Long Term	1.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Covid Emergency Line.	Long Term	5.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Funded Interest Term Loan	Long Term	1.15	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Letter of Credit	Short Term	20.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Letter of Credit	Short Term	12.00	ACUITE A3+ (Upgraded from ACUITE A3)
	PC/PCFC	Short Term	8.00	ACUITE A3+ (Upgraded from ACUITE A3)
	PC/PCFC	Short Term	28.00	ACUITE A3+ (Upgraded from ACUITE A3)
	Proposed Long Term Bank Facility	Long Term	5.35	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)
	Term Loan	Long Term	8.00	ACUITE BBB Stable (Upgraded from ACUITE BBB- Stable)

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 avl. / Not appl.	Bank Guarantee/Letter of Guarantee	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	2.50	ACUITE A4+ Reaffirmed Issuer not co-operating*
South Indian Bank	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not avl. / Not appl.	Bills Discounting	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	22.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
State Bank of India	Not avl. / Not appl.	Covid Emergency Line.	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
State Bank of India	Not avl. / Not appl.	Funded Interest Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	1.15	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
State Bank of India	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	20.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
South Indian Bank	Not avl. / Not appl.	Letter of Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	12.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
South Indian Bank	Not avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.00	ACUITE A4+ Reaffirmed Issuer not co-operating*
	Not			Not avl.	Not avl.			ACUITE A4+ Reaffirmed

State Bank of India	avl. / Not appl.	PC/PCFC	Not avl. / Not appl.	/ Not appl.	/ Not appl.	Simple	28.00	Issuer not co-operating*
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	5.35	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)
State Bank of India	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	Simple	8.00	ACUITE BB Downgraded Issuer not co-operating* (from ACUITE BB+)

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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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