

Uniroyal Marine Exports Limited

January 20, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Short Term Bank Facilities	30.75	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	30.75 (Rs. Thirty Crore and Seventy-Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE has been seeking information from Uniroyal Marine Exports Limited to monitor the rating vide e-mail communications dated November 27, 2021 to December 17, 2021 and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the rating. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating. The rating on Uniroyal Marine Exports Limited bank facilities will now be denoted as CARE A4; ISSUER NOT COOPERATING*

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating.

Detailed description of the key rating drivers

The ratings assigned to the bank facilities of Uniroyal Marine Exports Limited (UMEL) takes in to account decline in scale of operations and profitability margins and deterioration of debt coverage indicators during FY21 (refers to the period April 01 to March 31). The ratings continues to be tempered by modest scale of operations, leverage capital structure, elongated operating cycle, lack of price control on both supply and demand side and highly fragmented and competitive industry. The rating however continues to draw its strength from long track record and experienced managements, and location advantage.

Detailed description of the key rating drivers

Updated for the information available from Bombay Stock Exchange (BSE)

Key Rating Weakness

Modest scale of operations

The total operating income declined to Rs.33.81 crore during FY21 from Rs. 43.79 crore in FY20. The company has achieved Rs.13.56 crore TOI in H1FY22.

Weak debt coverage metrics

The PBILDT margin has declined by 90 bps and stood at 3.51% in FY21 as compared to 4.41% in FY20. The company incurred loss of Rs.0.43 crore in FY21. The overall gearing ratio continues remain leveraged at 3.99x as on March 31, 2021. The operating cycle of company stood elongated at 156 days due to high average inventory holding period of 232 days in FY21

Lack of price control on both supply and demand side

The sea food exporters have no control over the procurement price of the marine catches. The price demanded by the fishermen varies depending on the availability and quantum of marine catches. With sea food exporters, having scaled up their processing capacity over the years anticipating higher demand in the export market, demand for the scarcely available marine catches usually remains high. The processed fish price in the international market depends on numerous factors like seasonality in demand and marine supplies from various countries. The fierce competition from numerous sea food exporters from various countries competing for these orders results in lack of pricing power for these exporters.

Highly fragmented and competitive industry

The company faces tough competition from processors in various maritime states of India with better fishery resources particularly from Vizag, Kochi and Pipavav. There is also competition from other exporting countries such as the US, China, Thailand, Vietnam etc. Moreover, there has been increasing scarcity of marine supplies on account of overfishing coupled with the adverse changes in climatic conditions leading to poor fish breed which can result in loss of competitive edge.

¹Complete definition of the ratings assigned are available at www.careedge.in and other CARE Ratings Ltd.'s publications

Key Rating Strengths

Long track record and experience management in sea food industry

UMEL was incorporated in 1992 by Mr. Anush K Thomas, Mr. Iype Mathew, Mr. Nath Ram, Mr. Mohanlal, Mr. KC Thomas and Ms. Nithya Alex. The promoters have been in the business of sea food over two decades. Mr. Anush K Thomas, the Managing director, has experience of more than a decade in administrative affairs and sea food industry.

Location advantage

The processing plant is located near to Calicut, Kerala which is on the emerald coast of Malabar where two of the largest fishing harbors enables the company to procure good quality fish which can be processed immediately. The proximity of the processing plant to the fishing belt also helps to lower transportation costs on account of proximity to harbor.

Analytical approach: Standalone

Applicable Criteria

[Policy in respect of Non-cooperation by issuer](#)

[Policy on default recognition](#)

[Financial Ratios – Non financial Sector](#)

[Rating Outlook and Credit Watch](#)

[Short Term Instruments](#)

[Manufacturing Companies](#)

About the Company

Calicut based Uniroyal Marine Exports Limited (UMEL) was incorporated on August 21, 1992 as Public Limited Company and listed in BSE. The company is engaged in processing and trading of sea food (Shrimps and Squids) with the installed capacity of 17, 100 Ton per annum.

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	H1FY22(P)
Total operating income	43.79	33.81	13.56
PBILDT	1.93	1.19	0.68
PAT	0.12	-0.43	0.02
Overall gearing (times)	3.59	3.99	NA
Interest coverage (times)	1.51	1.14	NA

A: Audited, P: Provisional, NA: Not Available

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Not Applicable

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Non-fund-based - ST-EPC/PCFC		-	-	-	15.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bills Discounting / Bills Purchasing		-	-	-	15.75	CARE A4; ISSUER NOT COOPERATING*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Non-fund-based - ST-EPC/PCFC	ST	15.00	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (11-Jan-21)	1)CARE A4; ISSUER NOT COOPERATING * (25-Nov-19)	1)CARE A4 (28-Sep-18) 2)CARE A4 (16-Aug-18)
2	Non-fund-based - ST-Bills Discounting / Bills Purchasing	ST	15.75	CARE A4; ISSUER NOT COOPERATING *	-	1)CARE A4; ISSUER NOT COOPERATING * (11-Jan-21)	1)CARE A4; ISSUER NOT COOPERATING * (25-Nov-19)	1)CARE A4 (28-Sep-18)

* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not applicable

Name of the Instrument	Detailed explanation
A. Financial covenants	-
B. Non financial covenants	-

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Non-fund-based - ST-Bills Discounting / Bills Purchasing	Simple
2	Non-fund-based - ST-EPC/PCFC	Simple

Annexure 5: Bank Lender Details for this Company

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of the rated instrument: CARE Ratings Ltd. has classified instruments rated by it on the basis of complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for any clarifications.

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About CARE Ratings Limited:

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