

SH Marine Exim

February 06, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	6.80	CARE D; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable and moved to ISSUER NOT COOPERATING category
Long Term / Short Term Bank Facilities	20.50	CARE D / CARE D; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable / CARE A4 and moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from SH Marine Exim to monitor the rating(s) vide e-mail communications dated October 04, 2024, January 30, 2025 among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on SH Marine Exim's bank facilities will now be denoted as **CARE D/CARE D; 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(s).

The revision in ratings assigned to the bank facilities of SH Marine Exim (SHME) takes into account the delay in debt servicing of the term loan obligations of the company as ascertained as part of CARE's due diligence exercise.

Analytical approach: Standalone

Outlook: Not applicable

Detailed description of the key rating drivers:

Key weaknesses

Delay in debt servicing

As per the lender feedback, as part of due diligence exercise conducted by CARE Ratings Ltd, there has been instances of delay in repayment of term loan obligations.

Small scale of operations; sharp reduction in sales in 11MFY24

The firm is involved in processing and export of seafood, mainly vannamei shrimp followed by cuttlefish, octopus, ribbon fish, squid, etc. The firm uses only block freezing technique and the seafood is exported as frozen blocks. The total operating income (TOI) stood modest at ₹81.70 crore in FY23 and has further declined to 25.78 crore in 11MFY24. The sharp reduction in sales in was primarily on account of subdued demand from the Chinese market which is the primary export destination of the firm. SHME expects revenues to improve post stabilisation of demand in export destinations.

Thin profit margins exposed to raw material volatility and foreign currency fluctuations.

The PBILDT margin of the firm had been thin and fluctuating over the last three years between 2-4% primarily due to the volatility in the raw material prices. Moreover, the company has limited ability to pass on any increase in raw material prices to its customers, as the end-product prices are mostly determined by the international demand-supply scenario. SHME is also susceptible to fluctuation in foreign currency, affecting profitability.

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

Presence in highly regulatory industry and exposure to water-borne diseases

Shrimp is a depleting commodity and increased severity of regulations on excessive fishing has rendered supply more irregular. Thus, the governments around the world regularly put up new regulations regarding the international trade of shrimp. However, SHME is procuring shrimp from its own shrimp farms, which help it overcome the supply irregularities. There are varieties of lethal viral and bacterial diseases that might affect shrimps. The fact that the shrimps are kept in clusters acts as an exponential factor in multiplying the disease caught by a single shrimp and wipes out almost 90% of the total shrimp population in a particular farm.

Liquidity: Poor

The company has delays in servicing debt obligations as per the due diligence conducted by CARE.

Applicable criteria

[Policy in respect of non-cooperation by issuers](#)

[Definition of Default](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Short Term Instruments](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Seafood

Kochi based SHME was incorporated in 2010 as a proprietorship firm and later converted into partnership firm in October 2013 as a family business by Mr. Siraj and his wife Mrs. Gansa Siraj. The firm is engaged in the processing and export of various varieties of sea food, primarily shrimp followed by octopus, cuttle fish, squid, various types of fish etc. The company has an installed monthly capacity of 30-35 tonnes/day.

Brief Financials (₹ crore)	March 31, 2022 (A)	March 31, 2023 (A)	11MFY24 (UA)
Total operating income	69.34	81.70	25.78
PBILDT	3.04	3.48	3.11
PAT	0.08	0.23	0.09
Overall gearing (times)	1.40	1.66	NA
Interest coverage (times)	1.19	1.38	NA

A: Audited, UA: Unaudited, NA: Not available; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Term Loan		-	-	August 2029	6.80	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT/ ST-CC/PC/Bill Discounting		-	-	-	20.50	CARE D / CARE D; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT/ ST-CC/PC/Bill Discounting	LT/ST	20.50	CARE D / CARE D; ISSUER NOT COOPERATING *	1)CARE B+; Stable / CARE A4 (04-Apr-24)	1)CARE B+; Stable / CARE A4; ISSUER NOT COOPERATING * (24-Jan-24)	1)CARE BB-; Stable / CARE A4 (25-Jan-23)	-
2	Fund-based - LT-Term Loan	LT	6.80	CARE D; ISSUER NOT COOPERATING *	1)CARE B+; Stable (04-Apr-24)	1)CARE B+; Stable; ISSUER NOT COOPERATING * (24-Jan-24)	1)CARE BB-; Stable (25-Jan-23)	-

*Issuer did not cooperate; based on best available information.

LT: Long term; ST: Short term; LT/ST: Long term/Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-CC/PC/Bill Discounting	Simple

Annexure-5: Lender details

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

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

Contact us

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About us:

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