

Jeelani Marine Products

March 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term / Short Term Bank Facilities	30.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	Downgraded from CARE BB+; 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 Jeelani Marine Products (JMP) to monitor the ratings vide email communications dated March 04, 2025, March 03, 2025, February 28, 2025, and letter dated March 05, 2025, and numerous phone calls. However, despite our repeated requests, the company 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 JMP's bank facilities will now be denoted as **CARE BB; Stable/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(s).

The ratings assigned to the bank facilities of JMP has been revised on account of non-availability of requisite information. The ratings also factor in low net worth base and moderate capital structure, presence in a highly competitive and regulated industry, exposure to volatile raw material prices and forex risk and partnership nature of constitution. These weaknesses are however offset by experienced promoters with an established track record in the aquaculture industry, diversified geographical presence and growing scale of operations. The ratings further derive strength from satisfactory debt coverage indicators, locational advantage and accredited manufacturing facility from international regulatory authorities.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on October 22, 2024, the following were the rating strengths and weaknesses.

Key weaknesses

Low net worth base and moderate capital structure

JMP's net worth stood low at Rs.23.87 crore as on March 31, 2024. The capital structure of JMP remained moderate marked by overall gearing ratio of 1.50 times as on March 31, 2024, as against 1.49 times as on March 31, 2023.

Presence in a highly competitive industry

The seafood industry is exposed to intense competition as there are several small and large players. The players also face intense competition from South-East Asian exporters impacting the realizations. The seafood export segment is marked by stringent regulations and quality requirements. Many of the export destinations, such as the US, Japan, and European countries, periodically implement regulations (including anti-dumping duty, food safety regulations, and quality requirements) that need to be complied with.

Moderate profitability, exposure to volatile raw material prices and forex risk

JMP's profitability has remained fluctuating and rangebound during FY19- FY24, with PBILDT margin between 4%-6% and PAT margin between 1%-4%. The firm primarily exports Squid, Shrimp, Sea White, and other products whose prices are mainly determined by international demand. Adding on to the price volatility of the raw materials which the firm can pass on to the customers partially, the firm also deals with foreign currency exchange risk (forex risk) since they export to more than 20 countries across the globe, with exchange currency majorly denominated in USD.

Constitution as a partnership firm

The constitution as a partnership firm restricts JMP's overall financial flexibility in terms of limited access to external funds for any future expansion plans. Further, there is inherent risk of possibility of withdrawal of capital in times of personal contingency as it

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

has limited ability to raise capital and poor succession planning may result in dissolution of the firm in case of death/insolvency of partner.

Key strengths

Experienced promoters with an established track record of operations

JMP has a track record of more than a decade in business operations. JMP is established by Shahul Aboobaker, Managing Partner, and his wife Aishabeevi Aboobaker. Shahul Aboobaker has been in the industry for more than two decades and is actively involved in day-to-day operations of the firm. He is ably supported by Aishabeevi Aboobaker (Partner at JMP). The partners are supported by team of qualified and experienced professionals.

Diversified geographical presence

The firm has established its presence in diversified geographies in various countries such as Thailand, UAE, Malaysia and Japan. Further, the top export destination accounts for less than 25% of the total revenue thereby rendering the revenue diversified and protected from the political and economic vagaries of a single geography.

Growing scale of operations

TOI improved to Rs.281.05 crore in FY24 from Rs.256.45 crore in FY23 marking y-o-y growth of ~10%. During 5MFY25 (refers to April 1 to August 31), JMP booked revenue of Rs.131.93 crore. During FY24, PBILDT margins improved to 6.49% (P.Y.5.28%). In line with PBILDT margins, PAT margin has been improving consistently from 1.71% in FY20 to 3.99% in FY24.

Satisfactory debt coverage Indicators

The debt coverage indicators remained satisfactory marked by interest coverage ratio and Total Debt to Gross Cash Accruals (TDGCA) at 5.52 times and 2.54 times respectively in FY24. The same are expected to remain satisfactory over the medium term.

Locational advantage and Accredited manufacturing facility

JMP has its processing unit in Ratnagiri, Maharashtra. The firm procures seafood from local farmers in Maharashtra. The presence of the plant in a coastal region which has proximity to raw material location enables the firm to procure its raw materials and process them immediately after the harvest season. Further, the processing unit of the firm is well-equipped and compliant with international standards of seafood products. It is also certified by the USDA apart from HACCP and EU.

Liquidity: Adequate

The liquidity position of JMP remained adequate characterised by sufficient cushion in accruals vis-à-vis debt repayment obligations. On an average, payments from the customers are received within 30-40 days from the date of billing. During FY24, the operating cycle of the firm remained comfortable at 38 days (P.Y. 28 days). The average utilization of the working capital limits stood at around 70% for the 12 months ending June 30, 2024. The cash and bank balance remained moderate at Rs.1.88 crore as on March 31, 2024.

Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[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

Established in April 2011, Jeelani Marine Products (JMP) is a Ratnagiri based marine processing firm. JMP is promoted by Shahul Hamid Aboobaker and his wife Aishabeevi Aboobaker. JMP entered the processing business in 2018, prior to which the firm was engaged in trading of marine products. The firm is engaged in processing of and export of different marine products such as Squid, Shrimps, Tiger Shrimps, Sea White, Ribbon Fish etc. with an installed capacity of 8,850 MTPA. JMP exports to the countries like Japan, Malaysia, Oman, Thailand, UAE etc. The processing facilities of the firm are well equipped and compliant with International Standards for seafood product processing.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (P)	5MFY25 (UA)
Total operating income	256.45	281.05	131.93
PBILDT	13.79	18.23	8.01
PAT	10.05	11.22	3.82
Overall gearing (times)	1.49	1.50	1.08
Interest coverage (times)	7.56	5.52	7.08

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: CRISIL, vide its press release dated June 24, 2024, reviewed the ratings assigned to the bank facilities of JMP under Issuer Non-cooperation category, as the company did not provide the requisite information needed to conduct the rating exercise.

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/ ST-CC/Packing Credit		-	-	-	30.00	CARE BB; Stable / CARE A4; 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/Packing Credit	LT/ST	30.00	CARE BB; Stable / CARE A4; ISSUER NOT COOPERATING*	1)CARE BB+; Stable / CARE A4+ (22-Oct-24)	-	-	-

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

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/ ST-CC/Packing Credit	Simple

Annexure-5: Lender details

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

Annexure-6: List of entities consolidated: Not applicable

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

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: +91-22-6754-3444 E-mail: Ankur.sachdeva@careedge.in	Analytical Contacts Akhil Goyal Director CARE Ratings Limited Phone: 022-6754-3590 E-mail: akhil.goyal@careedge.in Ashish Kashalkar Assistant Director CARE Ratings Limited Phone: 91-020-4000-9009 E-mail: Ashish.Kashalkar@careedge.in Akhil Thakrar Analyst CARE Ratings Limited E-mail: akhil.thakrar@careedge.in
---	---

About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the RBI. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit.

Disclaimer:

The ratings issued by CARE Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings has based its ratings/outlook based on information obtained from reliable and credible sources. CARE Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating/outlook assigned by CARE Ratings is, inter-alia, based on the capital deployed by the partners/proprietors and the current financial strength of the firm. The ratings/outlook may change in case of withdrawal of capital, or the unsecured loans brought in by the partners/proprietors in addition to the financial performance and other relevant factors. CARE Ratings is not responsible for any errors and states that it has no financial liability whatsoever to the users of the ratings of CARE Ratings. The ratings of CARE Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades.

**For detailed Rationale Report and subscription information,
please visit www.careedge.in**