

Bathsha Marine Exports Private Limited

February 21, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	0.17	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Short Term Bank Facilities	9.50	CARE D; ISSUER NOT COOPERATING* (Single D; ISSUER NOT COOPERATING*)	Rating moved to ISSUER NOT COOPERATING category
Total Bank Facilities	9.67 (Rs. Nine Crore and Sixty- Seven Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE Ratings Ltd has been seeking information from Bathsha Marine Exports Private Limited (BMEPL) to monitor the ratings vide e-mail communications/letters dated November 17, 2021, January 03, 2022, January 10, 2022, January 31, 2022, February 04, 2022, February 10, 2022 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 ratings 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 BMEPL'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 rating assigned to the bank facilities of Bathsha Marine Exports Private Limited (BMEPL) factors in the on-going delay in servicing its debt obligations.

Detailed description of the key rating drivers

At the time of last rating on February 02, 2021 the following were the rating strengths and weaknesses (updated from information available from registrar of companies):

Key Rating Weaknesses

Ongoing delays in servicing debt obligations

As per verbal feedback from banker, there were delays in debt servicing till December 2021.

Small scale of operations with moderate profitability

The scale of operations has significantly declined and remained at Rs. 7.54 crores during FY21 as against Rs. 15.26 crores during FY20 mainly due to decreased export sales as well as local sales.

PBILD margin has improved from 8.74% during FY20 to 15.37% during FY21. However, company has reported net profit of Rs. 0.20 crores during FY21 as against net losses during FY20.

Elongated operating cycle

The operating cycle of the company elongated from 183 days in FY 20 to 403 days in FY21 due to higher inventory holding period. However, Average collection period and payment period stood at 53 days and 87 days respectively in FY21.

Leveraged capital structure and debt coverage indicators

The capital structure of the company has marginally improved but remained leveraged marked by overall gearing ratio of 2.09x as on March 31, 2021 as against 2.74x as on March 31, 2020. Further debt coverage indicators remained weak marked by TDGCA ratio of 11.52 years and Interest coverage of 3.33x during FY21 as against 18.49 years and 1.75x during FY20.

Competitive nature of industry coupled with regulatory risk and seasonality associated with seafood industry

The company has to stock shrimps for export during the off season, thus increasing its inventory levels. Apart from seasonality, adverse climate conditions, lack of quality feed, rampant diseases continue to pose risk in the raw material procurement. Furthermore, due to limited value addition nature of business and less technological input entry barriers are low. As a result, processed sea food industry is highly competitive with the presence of a large number of Indian players as well as players from

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

*Issuer did not cooperate; based on best available information

other international market. Furthermore, exports of sea food is highly regulated, as exporters of sea food have to meet various regulations imposed by importing nations as well as imposed by the Indian government.

Key Rating Strengths

Long track record and experience of the promoters for more than two decades in sea food industry

BMEPL was incorporated in the year 1997, promoted by Mr. Akber Bathsha (Managing Director), Mrs. Sunitha Bathsha (Director) and Mr. Yazar Bathsha (Director) all the directors are qualified graduate having more than two decade of experience in sea food industry. The directors are actively involved in day to day operations of the company. Mr Akber Bathsha has more than two decades of experience in sea food industry and looks after the marketing activities. Due to long term presence in the market, the promoters have good relations with suppliers and customers.

Locational advantage

The plant location of the company is located in aquaculture Zone near Kerala, which enables the company to procure raw materials and send the same for process immediately after harvest. This results in better quality product as well as lowers the transportation cost.

Analytical Approach: Standalone

Applicable Criteria

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

[Policy on default recognition](#)

[Rating Methodology-Manufacturing Companies](#)

[Financial ratios – Non-Financial Sector](#)

[Criteria for Short Term Instruments](#)

About the Company

Placo Enterprises Private Limited was incorporated in the year 1997 and later the name was changed to Placo Plastics Private Limited. During 2003, the company name was changed to current nomenclature Bathsha Marine Exports Private Limited (BMEPL). Initially the company was engaged in storage of sea food. However, from May 2016, the company commenced processing, packing and export of shrimp and various fish to the places like Vietnam, Portugal, Australia, Kuwait and Korea. The product profile of the company includes black tiger, Vannamei, white shrimp, Cuttle Fish, Indian Mackerel, Yellow Fin Tuna and Ribbon Fish. The company is 100% Export Oriented Unit (EOU). BMEPL procures fish and shrimp from local fisher men i.e., Kerala and other places like Nellore and Andhra Pradesh. The plant has the certification from 'Hazard Analysis Critical Control Point (HACCP) and British Retail Consortium (BRC). The processing and storage facilities of BMEPL are approved by the Marine Products Export Development Authority (MPEDA).

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22(Prov.)
Total operating income	15.26	7.54	NA
PBILDT	1.33	1.16	NA
PAT	-0.03	0.20	NA
Overall gearing (times)	2.71	2.09	NA
Interest coverage (times)	1.75	3.33	NA

A; Audited; Prov.; Provisional; NA: Not Available

Status of non-cooperation with previous CRA: ACUTE has continued the ratings assigned to the bank facilities of BMEPL into 'Issuer Not-cooperating' category vide press release dated April 14, 2021 on account of non-availability of requisite information from the company.

Any other information: Not Applicable

Rating History (Last three years): Please refer Annexure-2

Covenants of rated instrument/facility: Please refer Annexure-3

Complexity level of various instruments rated for this company: Please refer 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
Fund-based - LT-Term Loan		-	-	February 2023	0.17	CARE D; ISSUER NOT COOPERATING*
Fund-based - ST-Packing Credit in Foreign Currency		-	-	-	4.50	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-Bill Discounting / Bills Purchasing		-	-	-	5.00	CARE D; ISSUER NOT COOPERATING*

*Issuer Not co-operating; based on best available information

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	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (02-Feb-21)	1)CARE B+; Stable (30-Dec-19)	1)CARE B+; Stable (04-Sep-18)
2	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (02-Feb-21)	1)CARE B+; Stable (30-Dec-19)	1)CARE B+; Stable (04-Sep-18)
3	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (02-Feb-21)	1)CARE B+; Stable (30-Dec-19)	1)CARE B+; Stable (04-Sep-18)
4	Fund-based - LT-Term Loan	LT	0.17	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (02-Feb-21)	1)CARE B+; Stable (30-Dec-19)	1)CARE B+; Stable (04-Sep-18)
5	Fund-based - ST-Packing Credit in Foreign Currency	ST	4.50	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (02-Feb-21)	1)CARE A4 (30-Dec-19)	1)CARE A4 (04-Sep-18)
6	Non-fund-based - ST-Bill Discounting / Bills Purchasing	ST	5.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D (02-Feb-21)	1)CARE A4 (30-Dec-19)	1)CARE A4 (04-Sep-18)

*Issuer Not co-operating; based on best available information

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable**Annexure 4: Complexity level of various instruments rated for this company**

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - ST-Packing Credit in Foreign Currency	Simple
3	Non-fund-based - ST-Bill Discounting / Bills Purchasing	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 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:

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