

Magnum Sea Foods Limited

September 27, 2021

Ratings

Facilities/Instruments	Amount (Rs. crore)	Ratings ¹	Rating Action
Long Term Bank Facilities	3.40	CARE BB; ISSUER NOT COOPERATING* (Double B ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE BB+; (Double B Plus)
Short Term Bank Facilities	60.30	CARE A4; ISSUER NOT COOPERATING* (A Four ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category and Revised from CARE A4+; (A Four Plus)
Total Bank Facilities	63.70 (Rs. Sixty-Three Crore and Seventy Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated September 04, 2020, placed the rating(s) of Magnum Sea Foods Limited (MSFL) under the 'issuer non-cooperating' category as MSFL had failed to provide information for monitoring of the rating and had not paid the surveillance fees for the rating exercise as agreed to in its Rating Agreement. MSFL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/email dated July 21, 2021, July 31, 2021, August 10, 2021.

In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

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 MSFL have been revised on account of non-availability of requisite information. The ratings also factored in decline in scale of operations, operating profitability as well as capital structure and debt coverage indicators during FY20.

Detailed description of the key rating drivers

Please refer to PR dated [September 04, 2020](#)

Analytical approach: Combined

CARE has taken a combined view of MSFL and MEPL for arriving at the ratings due to operational linkages, common management and similar line of business of the companies.

Applicable Criteria

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

[Policy on default recognition](#)

[Criteria on assigning outlook and credit watch](#)

About the Company

MSFL was promoted by Mr. Ramesh Mahapatra in the year 2002. The company is engaged in processing and export of sea food, primarily Vannami and black tiger prawns. MSFL has its own sea food processing plant at Botanda, Jankia, Orissa, with a processing capacity of 64 Metric Tonne Per Day (MTPD) and a cold storage capacity of 3,628 metric tonne. MEPL is also engaged in processing and export of sea food. MEPL has two aqua farms with 45 ponds, spread over an area of around 150 acres, for culturing of prawns. The company also has its own pre-processing plant, including an ice-making plant at Naupalgadi, Balasore.

¹Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications

*Issuer did not cooperate; based on best available information

Brief financials:

Brief Financials (Rs. crore) (Standalone)	FY19(A)	FY20(A)
Total operating income	248.51	255.29
PBILDT	20.52	14.01
PAT	9.26	6.84
Overall gearing (times)	0.39	0.46
Interest coverage (times)	4.37	4.68

A: Audited

Combined Brief financials of (MSFL+MEPL):

Brief Financials (Rs. crore) (Combined)	FY19(A)	FY20(A)
Total operating income	430.19	387.83
PBILDT	33.31	21.39
PAT	17.38	10.91
Overall gearing (times)	0.36	0.46
Interest coverage (times)	5.55	5.30

A: Audited

Status of non-cooperation with previous CRA: ICRA has suspended the ratings assigned to the bank facilities of Gordhandas Gobindram vide press release dated July 04, 2014 on account of non-availability of requisite information from the company.

Any other information: Not applicable

Disclosure of Interest of Independent/Non-Executive Directors or Managing Director & CEO: Not applicable

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

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

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

Annexure-1: Details of Instruments/Facilities

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	June 2020	3.40	CARE BB; ISSUER NOT COOPERATING*
Fund-based - ST-PC/Bill Discounting	-	-	-	50.00	CARE A4; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC	-	-	-	10.30	CARE A4; ISSUER NOT COOPERATING*

*Issuer did not cooperate; 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	3.40	CARE BB; ISSUER NOT COOPERATING*	-	1)CARE BB+; ISSUER NOT COOPERATING* (04-Sep-20)	1)CARE BB+; ISSUER NOT COOPERATING* (20-Jun-19)	-
2.	Fund-based - ST-PC/Bill Discounting	ST	50.00	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+; ISSUER NOT COOPERATING* (04-Sep-20)	1)CARE A4+; ISSUER NOT COOPERATING* (20-Jun-19)	-
3.	Non-fund-based - ST-BG/LC	ST	10.30	CARE A4; ISSUER NOT COOPERATING*	-	1)CARE A4+; ISSUER NOT COOPERATING* (04-Sep-20)	1)CARE A4+; ISSUER NOT COOPERATING* (20-Jun-19)	-

*Issuer did not cooperate; 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 the Instrument	Complexity Level
1.	Fund-based - LT-Term Loan	Simple
2.	Fund-based - ST-PC/Bill Discounting	Simple
3.	Non-fund-based - ST-BG/LC	Simple

Note on complexity levels of the rated instrument: CARE has classified instruments rated by it on the basis of complexity. This classification is available at www.careratings.com. Investors/market intermediaries/regulators or others are welcome to write to care@careratings.com for any clarifications.

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About CARE Ratings:

CARE Ratings commenced operations in April 1993 and over two decades, it has established itself as one of the leading credit rating agencies in India. CARE is registered with the Securities and Exchange Board of India (SEBI) and also recognized as an External Credit Assessment Institution (ECAI) by the Reserve Bank of India (RBI). CARE Ratings is proud of its rightful place in the Indian capital market built around investor confidence. CARE Ratings provides the entire spectrum of credit rating that helps the corporates to raise capital for their various requirements and assists the investors to form an informed investment decision based on the credit risk and their own risk-return expectations. Our rating and grading service offerings leverage our domain and analytical expertise backed by the methodologies congruent with the international best practices.

Disclaimer

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