



Press Release

Mangala Marine EXIM India Private Limited (MMEIPL)

April 24, 2025

Ratings

| Sl. No. | Instruments/Facilities | Amount (INR Crore) | Current Ratings | Previous Ratings | Rating Action | Complexity Indicator |
|---------|------------------------|--|--|---|--|--------------------------------------|
| 1. | Long Term Facilities | 13.62 (reduced from 18.86) | IVR BB-/ Stable (IVR Double B Minus with Stable Outlook) | IVR BB+/ Stable (IVR Double B Plus with Stable Outlook) | Rating downgraded to IVR D and simultaneously reassigned | Simple |
| 2. | Short Term Facilities | 122.00 | IVR A4 (IVR A Four) | IVR A4+ (IVR A Four Plus) | Rating downgraded to IVR D and simultaneously reassigned | Simple |
| 3. | Short Term Facilities | - (reduced from 23.60) | - | IVR A4+ (IVR A Four Plus) | Withdrawn# | Simple |
| | Total | 135.62 (Rupees One Hundred Thirty Five Crore and Sixty Two Lakh only) | | | | |

#The facility has been closed. No Due Certificate from the lender is available.

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has downgraded its rating assigned to the bank facilities of Mangala Marine EXIM India Private Limited to IVR D due to the delays in payment up to October 30th, 2024. The ratings simultaneously have been reassigned at IVR BB-/ Stable/ A4 on account of regular debt servicing since then.



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The ratings continue to benefit from extensive experience of the promoters in the seafood industry, accredited manufacturing facilities, diversified customer profile with long years of relationship and Government support to the sector. The ratings, however, are constrained by declining scale of operations, moderate debt protection metrics & leveraged capital structure, susceptibility to volatility in raw material prices and foreign exchange fluctuations, intense competition in shrimp export business and impact of US tariffs on Indian seafood exports.

Stable outlook indicates company is expected to get benefits from the experienced promoters along with diversified customer profile spread across geographies.

The withdrawal of the rating assigned to Exporters Gold Card Scheme- Standby Limit considers the No Dues Certificate provided by the bank dated March 27, 2025. The company's request for withdrawal has also been received dated March 26, 2025. The rating withdrawn is in line with Infomerics' policy on withdrawal of rating.

Key Rating Sensitivities:

Upward Factors

- Substantial and sustained improvement in the scale of operations, leading to an improvement in the overall credit metrics, and
- Improvement in overall business risk profile

Downward Factors

- Any deterioration in the revenue and/or profitability and/or credit metrics.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

Extensive experience of the promoters in the sea food industry

The day-to-day operations of MMEIPL are handled by the Bhat family who have been associated with sea-food processing and exports for over three decades. Presently the business is managed by M R Premachandra Bhat, M R Ashok Bhat and M R Suresh Bhat. The Promoters have experience of over three decades which has helped the promoters gain



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insight into the industry, diversify the customer base and modify the business policy in line with the changing market dynamics. Longstanding industry experience of the promoters has enabled them to establish strong relationships with suppliers and customers.

Accredited manufacturing facilities

The processing units have international certifications and approvals from such as Hazard Analysis Critical Control Points (HACCP), Best Aquaculture Practices (BAP), British Retail Consortium (BRC), Food and Drug Administration (FDA), International Organization for Standardization (ISO) etc. These units are certified by and approved by European Union (EU) and United States. This minimises the probability of export rejections for the company.

Diversified customer profile with long years of relationship with many clients

MMEIPL is an export-oriented unit and exports its products to multiple countries such as USA, Japan, China, Canada, UAE, other Southeast Asian countries, and European countries and is therefore geographically well diversified. USA contributes ~40% to the overall revenue which is expected to be impacted due to the current proposed US tariffs on Indian seafood exports. On the other hand, the company appears well-positioned to expand into new markets, as it already has a substantial presence in other geographies, covering 60%. The company has relationships of more than a decade with many of the clients in these countries. The established relationship with these customers has ensured repeat orders from the clients who are satisfied with the quality and price dynamics of the company. Infomerics' expects this to help sustain and stabilize the business over the medium term.

Government support to the sector

As an export-oriented entity, Mangala Marine is eligible for financial incentives such as 'Duty Drawback', Remission of Duties or Taxes on Export Product (RoDTEP), and interest subvention among others. The Government has been extending financial support to this sector over the years, which support the margins of seafood exporters.

Key Rating Constraints

Declining scale of operations



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The total operating income (TOI) has deteriorated in FY24 to INR 316.98 crore [Refers to period April 1st, 2023, to March 31st, 2024] as compared to INR 349.60 crore in FY23 primarily due to lower realization prices for shrimps, which contribute around 70% to the sales product mix. Shrimp prices dropped from INR 611 per kg in FY23 to INR 551 per kg in FY24, with a continued downward trend in FY25. Nevertheless, sales volume improved in FY24 compared to FY23. By March 2025, the company recorded a TOI of INR 230.14 crore. Despite revenue pressures, the EBITDA margin remained stable at 4.48% in FY24 (FY23: 4.44%), though the PAT margin declined to 0.70% from 0.83%, reflecting financial challenges.

Moderate debt protection metrics & leveraged capital structure

The company's capital structure remained leveraged as on March 31, 2024, marked by overall gearing at 2.90x against 2.65x as on March 31, 2023. The total indebtedness of the company as reflected by TOL/ANW stood high at 5.01x in FY24 (FY23: 4.49x). The debt protection metrics marked by ISCR deteriorated to 1.20x in FY24 from 1.60x in FY23 due to higher interest expenses. However, the DSCR improved marginally to 1.26x in FY 24 in comparison to 1.17x in FY23

Impact of US tariffs on Indian seafood exports

The imposition of US tariffs on Indian seafood exports, particularly shrimp, is expected to have a significant negative impact on the Indian seafood industry, potentially leading to losses and a shift in export markets. The new tariffs, though on pause currently, could lead to a significant drop in India's seafood exports to the US, potentially impacting the \$2.5 billion seafood trade between the two countries. Frozen shrimp, which accounts for a large portion of India's seafood exports to the US, is particularly vulnerable.

Susceptibility to volatility in raw material prices and foreign exchange fluctuations

The profitability of marine product exporters is susceptible to volatile marine product prices. The availability of products can be impacted by possible outbreak of diseases, which could affect production. Further, since the company's revenue is derived from exports, the profitability of the company is also susceptible to volatility in the foreign exchange fluctuations. Although the company enjoys a natural hedge along with forward contracts, it is still exposed to geo-political risks and foreign exchange fluctuations.



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Intense competition in shrimp export business

The shrimp processing and export business in India is highly fragmented with existence of several large and small players. Competition from countries such as USA, Japan, China, and Vietnam etc, also persists.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Policy on Withdrawal of Ratings.](#)

Liquidity: Adequate

The gross cash accruals (GCA) of the company stood moderate at INR 4.61 crore in FY24 as against the recent term obligation of INR 1.20 crore in FY23 (FY24: INR 7.67 Cr). The company's current ratio deteriorated to 1.15x as on 31st March 2024 when compared to 1.21x as on 31st March 2023. Operating cycle stood elongated at 152 days in FY24. The average utilisation remained moderate at ~83% for the last 12 months ended in Feb 2025 indicating adequate liquidity.

About the Company

Mangala Marine Exim India Pvt Ltd is a product-focused company that exports a range of value-added frozen seafood products. They cater to various distribution channels to retail chains, stores, restaurants and food service distributors across North America, Europe and Asia. Currently, their portfolio comprises a range of ready-to-cook and ready-to-eat frozen seafood products that are made from cultured White Shrimp. Their operations are strategically based out of Kochi, a major Indian seafood hub known for its rich inland waters and a 590 KM coastline that accounts for more than 10% of total coast of the country. They have received,



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and maintained, a host of approvals, certifications and accreditations for their products and processing facilities, including, inter alia, from the United States Food and Drug Administration (US FDA), Hazard Analysis and Critical Control Points (HACCP), British Retail Consortium (BRC), Best Aquaculture Practices (BAP), IFS and FSSC 22000 etc.

Financials (Standalone):

Rs. Crores

| For the year ended* / As on | 31-03-2023 | 31-03-2024 |
|-----------------------------|----------------|----------------|
| | Audited | Audited |
| Total Operating Income | 349.60 | 316.98 |
| EBITDA | 15.53 | 14.21 |
| PAT | 2.92 | 2.25 |
| Total Debt | 134.94 | 154.15 |
| Tangible Net worth | 50.85 | 53.09 |
| EBIDTA Margin (%) | 4.44 | 4.48 |
| PAT Margin (%) | 0.83 | 0.70 |
| Overall Gearing Ratio (X) | 2.65 | 2.90 |
| Interest Coverage (X) | 1.60 | 1.20 |

**Classification as per Infomerics' standards*

Status of non-cooperation with previous CRA: Nil

Any other information: Nil

Rating History for last 3 years:



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| S r. N o. | Name of Facilities | Current Ratings (Year 2025-26) | | | Rating History for the past 3 years | | |
|--------------------|---|--------------------------------|---|--------------------|--|--|--|
| | | Type | Amount outstanding/ Proposed (Rs. Crore) | Rating | Date(s) & Rating(s) assigned in 2024-25 | Date(s) & Rating(s) assigned in 2023-24 | Date(s) & Rating(s) assigned in 2022-23 |
| | | | | | - | Date (Feb 23, 2024) | Date (Month XX, 20XX) |
| 1. | PC/PCFC/ FDB/FBE/BRD | Short Term | 118.00 | IVR A4 | - | IVR A4+ | - |
| 2. | GECL | Long Term | 13.62 | IVR BB-/ Stable | - | IVR BB+/ Stable | - |
| 3. | Bank Guarantee | Short Term | 4.00 | IVR A4 | - | IVR A4+ | - |
| 4. | Exporters Gold Card Scheme- Standby limit | Short Term | - | Withdrawn | - | IVR A4+ | - |

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About Infomerics:

Infomerics Valuation And Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.



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Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information visit www.infomerics.com.

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Annexure 1: Facility Details:

| Name of Facility | ISIN | Date of Issuance | Coupon Rate/ IRR | Maturity Date | Size of Facility (INR Crore) | Rating Assigned/ Outlook |
|----------------------|------|------------------|------------------|---------------|------------------------------|--------------------------|
| PC/PCFC/ FDB/FBE/BRD | - | - | - | - | 118.00 | IVR A4 |
| GECL | - | - | - | 2027 | 13.62 | IVR BB-/ Stable |
| Bank Guarantee | - | - | - | - | 4.00 | IVR A4 |

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/Len-Mangala-Marine-24apr25.pdf>

Annexure 3: Detailed explanation of covenants of the rated facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/combined analysis: Not Applicable

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com