



## Press Release

### Choice Trading Corporation Private Limited (CTCPL)

May 05, 2023

#### Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Fund Based Bank Facilities – Pre shipment / Post shipment Long Term Bank Facilities	165.00	IVR BB+/ Negative; ISSUER NOT COOPERATING*  (IVR Double B Plus with Negative Outlook; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Short Term Non- Fund Based Bank Facilities – LC/BG/FBD(LC)	7.45	IVR A4+; ISSUER NOT COOPERATING  (IVR A Four Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
Short Term Non- Fund Based Bank Facilities – Forward Contract	13.77	IVR A4+; ISSUER NOT COOPERATING  (IVR A Four Plus; ISSUER NOT COOPERATING*)	Revised and moved to ISSUER NOT COOPERATING category	Simple
<b>Total</b>	<b>186.22</b>	<b>(Rupees One Hundred Eighty Six Crore and Twenty Two Lakh Only)</b>		

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

#### Details of Facilities are in Annexure 1

#### Detailed Rationale

The revision in the ratings assigned to the bank facilities of Choice Trading Corporation Private Limited (CTCPL) reflects lack of adequate information available, non-payment of annual surveillance fees and the uncertainty around its credit risk. Infomerics assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its policy.



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The lender, investors and other market participants are thus advised to exercise appropriate caution while using this rating as this rating may not adequately reflect the credit risk profile of the entity.

### **Non-cooperation by Issuer**

Infomerics has been regularly following up with the company to provide the required information as well as complying with all the clauses as mentioned in rating agreement dated January 26, 2022 for monitoring the requisite ratings. However, despite repeated requests by Infomerics, the company's management failed to comply with the clauses of the rating agreement for carrying out the surveillance exercise.

Availability of information is very critical in the rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to review the rating based on the best available information.

Accordingly, the long term and short-term ratings of the bank loan facilities aggregating to 186.22 crore of Choice Trading Corporation Private Limited moved under the 'ISSUER NOT COOPERATING' category by Infomerics and the ratings will be at 'IVR BB+/ Negative; ISSUER NOT COOPERATING' and 'IVR A4+; ISSUER NOT COOPERATING'; based on best available information.

**Analytical Approach:** Consolidated

### **Applicable Criteria:**

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Manufacturing Companies](#)

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

[Consolidation of Companies](#)

[Guidelines on what constitutes Non-Cooperation by clients](#)

### **About the Company**

Choice Trading Corporation Pvt Ltd (CTCPL) was established in June 1990 and is Promoted by Mr. Jose Thomas who has experience of over 45 years in the seafood and shipping business. CTCPL is primarily engaged in processing and export of ready to cook shrimps. The Company is having its owned shrimp processing unit located in Ernakulam, Kerala with a total installed capacity of 13,800 MT PA and a leased shrimp processing unit located in Bapatla, Andhra Pradesh with processing capacity of 30 MT per day. The Company does procurement



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and processing of Shrimps in India and exports majority of its final products to its subsidiaries in US and Canada. The Company is also a shipping agent for Hyundai Merchant Marine Corporation Limited for their South Indian operation. Subsidiaries in US (Choice Canning Company Inc) and Canada (Choice Canning Company) are 100% subsidiaries. Subsidiary in US import shrimp from parent Company and other processing companies in India and other countries like Thailand, Indonesia etc.

It is also engaged into manufacturing of Ready-to-eat Meal-kit with Rice/Pasta, Chicken, vegetables, shrimp etc and selling it under brand name 'Tastee Choice'. Choice Canning Co., Canada is engaged in import and distribution of shrimps.

### Financials (Consolidated):

(Rs. crore)

For the year ended*	31-03-2021	31-03-2022
	(Audited)	(Audited)
Total Operating Income	1465.10	1715.16
EBITDA	77.75	73.74
PAT	31.45	22.69
Total Debt	459.50	441.35
Tangible Net worth	153.99	179.51
<b>Ratios</b>		
EBITDA Margin(%)	5.31	4.30
PAT Margin(%)	2.13	1.32
Overall Gearing Ratio (x)	2.98	2.46

\*Classification as per Infomerics' standards

**Status of non-cooperation with previous CRA:** None

**Any other information:** Nil



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### Rating History for last three years:

Sr. No	Name of Instrument/ Facilities	Current Ratings (Year 2023-24)				Rating History for the past 3 years			
		Type	Amount (Rs. crore)	Date(s) & Rating(s)	Date(s) & Rating(s)	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in 2021-22		Date(s) & Rating(s) assigned in 2020-21
				May 04, 2023	April 27, 2023	-	February 08, 2022	January 28, 2022	-
1.	Issuer Rating	Long Term	-	-	Withdrawn	-	-	IVR BBB-/Stable	-
2.	Fund Based Bank Facilities – Pre shipment / Post shipment	Long Term	165.00	BB+/Negative; ISSUER NOT COOPERATING	BBB-/Stable	-	BBB-/Stable	-	-
3.	Non-Fund Based Bank Facilities – LC/BG/FBD(LC)	Short Term	7.45	A4+; ISSUER NOT COOPERATING	IVR A3	-	IVR A3	-	-
4.	Non-Fund Based Bank Facilities – Forward Contract	Short Term	13.77	A4+; ISSUER NOT COOPERATING	IVR A3	-	IVR A3	-	-

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

### Name and Contact Details of the Rating Analyst:

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### About Infomerics:

Infomerics Valuation and Rating Private Limited (Infomerics) was founded in the year 1986 by a team of highly experienced and knowledgeable finance professionals. Subsequently, after obtaining Securities Exchange Board of India registration and RBI accreditation and the activities of the company are extended to External Credit Assessment Institution (ECAI).

Adhering to best International Practices and maintaining high degree of ethics, the team of knowledgeable analytical professionals deliver credible evaluation of rating.

Infomerics evaluates wide range of debt instruments which helps corporates open horizons to raise capital and provides investors enlightened investment opportunities. The transparent, robust and credible rating has gained the confidence of Investors and Banks.

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

For more information visit [www.infomerics.com](http://www.infomerics.com).

**Disclaimer:** Infomerics ratings are based on information provided by the issuer on an 'as is where is' basis. Infomerics credit ratings are an opinion on the credit risk of the issue / issuer and not a recommendation to buy, hold or sell securities. Infomerics reserves the right to change or withdraw the credit ratings at any point in time. Infomerics ratings are opinions on financial statements based on information provided by the management and information obtained from sources believed by it to be accurate and reliable. The credit quality ratings are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. We, however, do not guarantee the accuracy, adequacy or completeness of any information, which we accepted and presumed to be free from misstatement, whether due to error or fraud. We are not responsible for any errors or omissions or for the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by us have paid a credit rating fee, based on the amount and type of bank facilities/instruments. In case of partnership/proprietary concerns/Association of Persons (AOPs), the rating assigned by Infomerics is based on the capital deployed by the partners/proprietor/ AOPs and the financial strength of the firm at present. The rating may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor/ AOPs in addition to the financial performance and other relevant factors.



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### Annexure 1: Details of Facilities

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. crore)	Rating Assigned/ Outlook
Pre shipment / Post shipment	-	-	-	165.00	IVR BB+/ Negative; ISSUER NOT COOPERATING*
LC/BG/FBD(LC)	-	-	-	7.45	IVR A4+; ISSUER NOT COOPERATING
Forward Contract	-	-	-	13.77	IVR A4+; ISSUER NOT COOPERATING

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

### Annexure 2: List of companies considered for consolidated analysis:

Name of the Company	Extent of Consolidation
Choice Canning Company Inc, USA	Full
Choice Canning Company, Canada	Full
Choice Shipping and Logistics Private Limited	Full
Indo Island Shipping Private Limited	Equity Method

**Annexure 3: Facility wise lender details:** Not available

**Annexure 4: Detailed explanation of covenants of the rated instrument/facilities:** 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](http://www.infomerics.com).