



Press Release

Grand Marine Foods

December 08, 2023

Ratings

Facilities	Amount (Rs. crore)	Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	34.50	IVR BB-; Negative; ISSUER NOT COOPERATING* (IVR Double B Minus with Negative outlook; ISSUER NOT COOPERATING)	Downgraded from IVR BB (Double B) with revision in outlook from Stable to Negative and moved to ISSUER NOT COOPERATING category	Simple
Short Term Bank Facilities	0.50	IVR A4; ISSUER NOT COOPERATING* (IVR A Four ISSUER NOT COOPERATING)	Reaffirmed and moved to ISSUER NOT COOPERATING category	Simple
Total	35.00 (Rupees thirty five crore only)			

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

Details of Facility are in Annexure 1

Detailed Rationale

The revision in the ratings assigned to the bank facilities of Grand marine Foods (GMF) with is because of non-cooperation by the entity despite repeated follow ups and lack of adequate information leading to information availability risk and hence 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. The outlook revised from stable to negative due to information availability risk.

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

Non-cooperation by Issuer

Infomerics has been regularly following up with the entity to provide the required data to monitor its assigned ratings to the bank facilities, vide E-mail communications dated October 26, 2023,



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November 15, 2023, November 20, 2023, and November 22, 2023 and concurrently over several phone calls. However, despite repeated requests by Infomerics, the entity's management has not submitted all the essential details required for detailed review of the assigned ratings.

Availability of information is very critical in rating exercise. In the absence of the requisite information, in consonance with SEBI guidelines, Infomerics has to assign the rating based on the best available information. Accordingly, the ratings assigned to the bank loan facilities aggregating to Rs.35.00 crore of Grand marine Foods shall be moved to 'ISSUER NOT COOPERATING' and the long-term rating will be noted as IVR BB-; Negative; Issuer Not Cooperating; Based on best available information (IVR Double B Minus with Negative outlook; Issuer Not Co-operating; Based on best available information) and the short-term rating will be noted as IVR A4; Issuer Not Cooperating; Based on best available information (IVR A Four; Issuer Not Co-operating; Based on best available information). The negative outlook is assigned due to information availability risk.

Analytical Approach: Combined For arriving at the rating, Infomerics has combined the business & financial risk profile of Grand Marine Foods & Safa Enterprises, as these entities run under a common management and have strong operational and financial linkages. Further, both the entities are engaged in similar line of business. The firms combined are referred as Safa group hereafter. List of entities considered for combined analysis are given in Annexure 3.

Applicable Criteria

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

[Criteria of assigning Rating outlook](#)

[Rating Methodology for Manufacturing companies](#)

[Rating Methodology for Trading companies](#)

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

[Policy of default recognition](#)

Liquidity: Unable to comment due to non-availability of information despite repeated follow ups.

About the Firm



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In 2005, Grand Marine Foods, a partnership firm was constituted with the second-generation members of the same family. The Managing partner of GMF is Mr. P.A. Muhamed Sageer. There are six partners, including the managing partner, each having a 16.67% stake in the firm. GMF gradually started processing as well as exporting frozen marine products to countries like Spain, Italy, USA etc. Presently, export sales accounts for the total sales of the Safa group.

About the Group

The Safa group comprise of Safa Enterprises and Grand Marine foods which is a partnership firm was constituted with the second-generation members of the same family. GMF gradually started processing as well as exporting frozen marine products to countries like Spain, Italy, USA etc. The SAFA group set up their own production factory in around 2010-11 & started operating on a larger scale.

Financials of Grand Marine Foods (Standalone): Latest Financials not available

(Rs. Crore)

For the year ended/ As on*	31-03-2021	31-03-2022
	Audited	Provisional
Total Operating Income	69.99	150.84
EBITDA	5.69	5.70
PAT	0.35	0.59
Total Debt	37.67	35.71
Tangible Net Worth	9.33	9.98
EBITDA Margin (%)	8.12	3.78
PAT Margin (%)	0.50	0.39
Overall Gearing Ratio (x)	4.04	3.58

* As per Infomerics Standard

Financials of Safa Group (Combined): Latest Financials not available

(Rs. Crore)

For the year ended/ As on*	31-03-2021	31-03-2022
	Audited	Provisional
Total Operating Income	98.18	181.24
EBITDA	6.56	6.81
PAT	0.46	0.70
Total Debt	44.57	44.96
Tangible Net Worth	14.36	14.38
EBITDA Margin (%)	6.69	3.76
PAT Margin (%)	0.47	0.39
Overall Gearing Ratio (x)	3.10	3.13



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** As per Infomerics Standard*

Status of non-cooperation with previous CRA: CRISIL continues to classify the rating under Issuer Not Cooperating vide its latest press release dated September 13, 2023 due to lack of information attributable to non-cooperation by the entity.

Any other information: Nil

Rating History for last three years:

Sr. No.	Name of Instrument/Facilities	Current Rating (Year 2023-24)			Rating History for the past 3 years		
		Type	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2022-23 (Nov 08, 2022)	Date(s) & Rating(s) assigned in 2021-22	Date(s) & Rating(s) assigned in 2020-21
1.	Term Loan	Long Term	2.34	IVR BB-; Negative; Issuer Not Cooperating*	IVR BB; Stable	-	-
2.	GECL	Long Term	3.43	IVR BB-; Negative; Issuer Not Cooperating*	IVR BB; Stable	-	-
3.	ECLGS	Long Term	2.93	IVR BB-; Negative; Issuer Not Cooperating*	IVR BB; Stable	-	-
3.	EPC	Long Term	16.00	IVR BB-; Negative; Issuer Not Cooperating*	IVR BB; Stable	-	-
4.	EPC (Proposed)	Long Term	0.60	IVR BB-; Negative; Issuer Not Cooperating*	IVR BB; Stable	-	-
5.	FBP	Long Term	5.00	IVR BB-; Negative; Issuer Not Cooperating*	IVR BB; Stable	-	-
6.	Export Gold Card	Long Term	4.20	IVR BB-; Negative; Issuer Not Cooperating*	IVR BB; Stable	-	-
7.	Bank Guarantee	Short Term	0.50	IVR A4; Issuer Not Cooperating*	IVR A4	-	-

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



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About Infomerics:

Infomerics Valuation and Rating Private Ltd (Infomerics) 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.

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

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.

Annexure 1: Details of Facility



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Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Long Term Fund Based Limits – Term Loan	-	-	FY25	2.34	IVR BB-; Negative; ISSUER NOT COOPERATING*
Long Term Fund Based Limits - GECL	-	-	FY25	3.43	IVR BB-; Negative; ISSUER NOT COOPERATING*
Long Term Fund Based Limits – ECLGS (Extension)			FY25	2.93	IVR BB-; Negative; ISSUER NOT COOPERATING*
Long Term Fund Based Limits – EPC	-	-	-	16.00	IVR BB-; Negative; ISSUER NOT COOPERATING*
Long Term Fund Based Limits – EPC Proposed	-	-	-	0.60	IVR BB-; Negative; ISSUER NOT COOPERATING*
Long Term Fund Based Limits – FBP	-	-	-	5.00	IVR BB-; Negative; ISSUER NOT COOPERATING*
Long Term Fund Based Limits – Export Gold Card	-	-	-	4.20	IVR BB-; Negative; ISSUER NOT COOPERATING*
Short Term Non-Fund Based Limits – Bank Guarantee	-	-	-	0.50	IVR A4; ISSUER NOT COOPERATING*

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

Annexure 2: Facility wise lender details: Not Available

Annexure 3: List of companies considered for consolidated analysis:

Name of the Firm	Consolidation Approach
Grand Marine Foods	Full Consolidation
Safa Enterprises	Full Consolidation

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 <https://www.infomerics.com/>