June 18, 2021

Apex Frozen Foods Limited: Continues to remain under issuer Non-Cooperating category, , Rating downgraded based on best available information

Summary of rating action

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund Based - Term Loan	5.59	5.59	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain in the 'Issuer Not Cooperating' category
Fund based - Cash Credit	45.00	45.00	[ICRA]B+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable) and continues to remain in the 'Issuer Not Cooperating' category
Fund Based- Short Term	45.00	45.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and continues to remain in the 'Issuer Not Cooperating' category
Non Fund Based- Short Term	8.00	8.00	[ICRA]A4 ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A4+ and continues to remain in the 'Issuer Not Cooperating' category
Unallocated- Short Term/Long Term	3.37	3.37	[ICRA]B+ (Stable)/[ICRA]A4; ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BB+ (Stable)/[ICRA]A4+ and continues to remain in the 'Issuer Not Cooperating' category
Total	**106.96**	**106.96**	

**Issuer did not cooperate; based on best available information.*
^Instrument details are provided in Annexure-1

Rationale

The rating downgrade is because of lack of adequate information regarding Apex Frozen Foods Limited performance and hence the uncertainty around its credit risk. ICRA assesses whether the information available about the entity is commensurate with its rating and reviews the same as per its "Policy in respect of non-cooperation by a rated entity" available at www.icra.in. 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, despite the downgrade.

As part of its process and in accordance with its rating agreement with Apex frozen Foods Limited , ICRA has been trying to seek information from the entity so as to monitor its performance, but despite repeated requests by ICRA, the entity's management has remained non-cooperative. In the absence of requisite information and in line with the aforesaid policy of ICRA, a rating view has been taken on the entity based on the best available information.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position, and rating sensitivities: Click Here ICRA is unable to provide the latest Information because of noncooperation by the entity

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy in respect of non-cooperation by the rated entity Corporate Credit Rating Methodology
Parent/Group Support	NA
Consolidation/Standalone	Standalone

About the company

Apex Frozen Foods Limited (AFFL) is promoted by Mr. K.S. Choudhary and Mr. K. Satyanarayana Murthy and is into processing and exporting seafood from 1997. It was founded as a partnership firm under the name of Apex Exports in 1997, which was later converted into a private limited company in March 2012 and public limited company in 2016. The promoters have more than 18 years' experience in processing and exporting of shrimps. AFFL has a processing plant at Panasapadu, Kakinada, Andhra Pradesh, with an installed raw material processing facility of 45 tons per day (TPD). The company also operates through leased facility of 15 TPD

Key financial Indicators (audited)

	FY2018 (Audited)	FY2019 (Audited)	9MFY2020 (Unaudited)
Operating Income (Rs. crore)	998.6	874.7	686.4
PAT (Rs. crore)	79.10	60.80	51.5
OPBDITA/OI (%)	11.0%	10.2%	10.7%
RoCE (%)	42.8%	28.5%	-
Total Outside Liabilities/Tangible Net Worth (times)	0.4	0.4	-
Total Debt/OPBDITA (times)	0.7	1.1	-
Interest Coverage (times)	12.6	13.7	8.4

Status of non-cooperation with previous CRA: NA

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2022)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in	Date & Rating in FY2021	Date & Rating in FY2020	Date & Rating in FY2019
					June 18, 2021	-	Mar 30, 2020	Dec 28, 2018
1	Term Loan	Long term	5.59		[ICRA] B+(Stable); ISSUER NOT COOPERATING	-	[ICRA] BB+(Stable); ISSUER NOT COOPERATING	[ICRA] BBB-(Stable); ISSUER NOT COOPERATING
2	Cash Credit	Long Term	45.00		[ICRA] B+(Stable); ISSUER NOT COOPERATING	-	[ICRA] BB+(Stable); ISSUER NOT COOPERATING	[ICRA] BBB-(Stable); ISSUER NOT COOPERATING
3	Fund Based	Short term	45.00		[ICRA] A4; ISSUER NOT COOPERATING		[ICRA] A4+; ISSUER NOT COOPERATING	[ICRA] A3; ISSUER NOT COOPERATING
4	Non Fund Based	Short Term	8.00		[ICRA] A4; ISSUER NOT COOPERATING		[ICRA] A4+; ISSUER NOT COOPERATING	[ICRA] A3; ISSUER NOT COOPERATING
5	Unallocated	Long Term/Short term	3.37		[ICRA] B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING		[ICRA] BB+(Stable)/[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA] BBB-(Stable)/[ICRA]A3; ISSUER NOT COOPERATING

Complexity level of the rated instrument

Bank limits	Complexity Indicator
Term Loan	Simple
Cash Credit	Simple
Fund Based	Simple
Non Fund Based	Very Simple
Long Term / Short Term - Unallocated	NA

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analyzing an entity's financial, business, industry risks or complexity related to the structural, transactional, or legal aspects. Details on the complexity levels of the instruments, is available on ICRA’s website: www.icra.in

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Term Loan	-	-	-	5.59	[ICRA] B+(Stable); ISSUER NOT COOPERATING
NA	Cash Credit	-	-	-	45.00	[ICRA] B+(Stable); ISSUER NOT COOPERATING
NA	Fund Based	-	-	-	45.00	[ICRA] A4; ISSUER NOT COOPERATING
NA	Non-Fund Based	-	-	-	8.00	[ICRA] A4; ISSUER NOT COOPERATING
NA	Unallocated	-	-	-	3.37	[ICRA] B+(Stable)/[ICRA]A4; ISSUER NOT COOPERATING

Source : Apex Frozen Foods Limited

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

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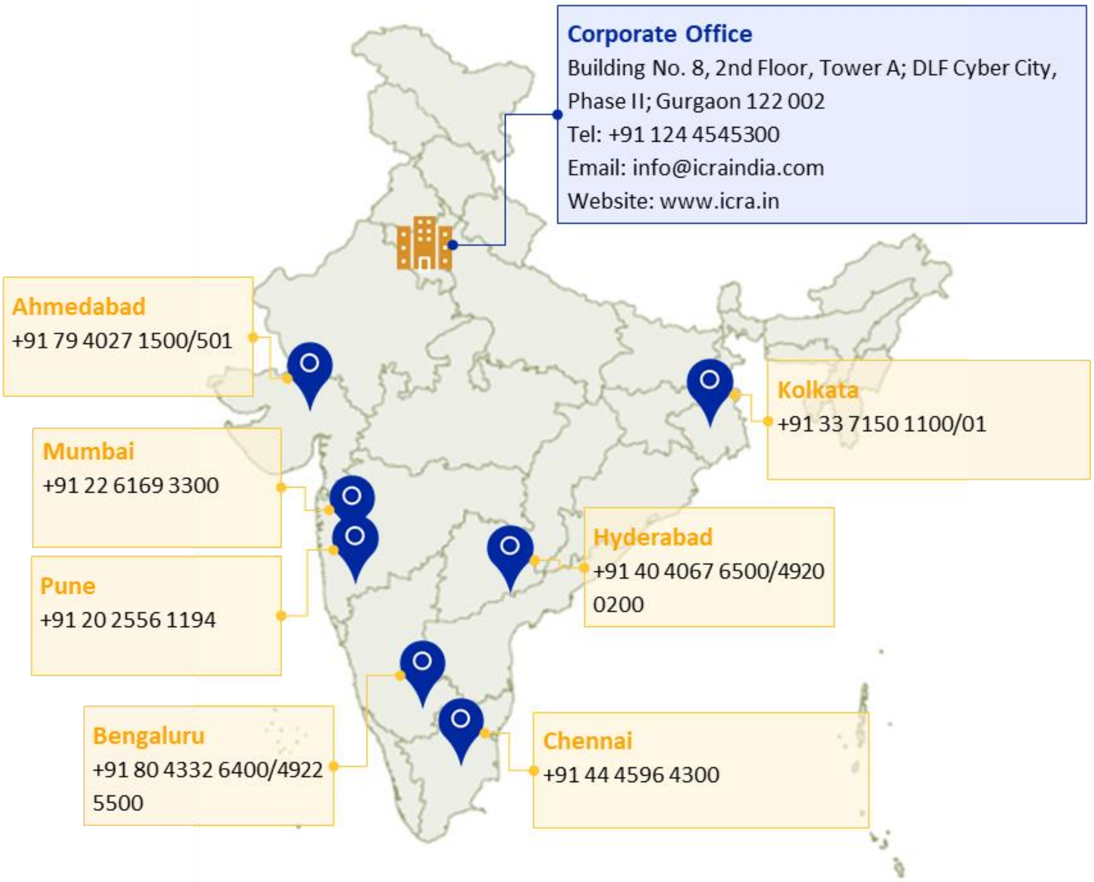

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