March 30, 2020

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

Summary of rated instruments

Instrument^	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Fund-based – Term Loan	5.59	5.59	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB-(Stable) and continues to remain under 'Issuer Not Cooperating' category
Fund-based – Cash Credit	45.00	45.00	[ICRA]BB+ (Stable) ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB-(Stable) and continues to remain under 'Issuer Not Cooperating' category
Fund Based – Short Term	45.00	45.00	[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A3 and continues to remain under 'Issuer Not Cooperating' category
Non Fund based – Short term	8.00	8.00	[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]A3 and continues to remain under 'Issuer Not Cooperating' category
Unallocated – Long term/Short term	3.37	3.37	[ICRA]BB+(Stable)/[ICRA]A4+ ISSUER NOT COOPERATING*; Rating downgraded from [ICRA]BBB-(Stable)/[ICRA]A3 and continues to remain under '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 ratings downgraded 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 the rated entity". 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 SEBI's Circular No. SEBI/HO/MIRSD4/CIR/2016/119, dated November 01, 2016, ICRA's Rating Committee has taken a rating view based on the best available information.

The previous detailed rating rationale is available on the following link: Click here

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 Indicator:

	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
DSCR	6.6	12.0	8.0

Source: MCA Site

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for past three years

S. No.	Instrument	Current Rating (FY2020)				Chronology of Rating History for the past 3 years		
		Type	Amount Rated (Rs.crore)	Amount Outstanding (Rs.crore)	Date & Rating	Date & Rating in FY2019	Date & Rating in FY2018	Date & Rating in FY2017
					30-Mar-2020	28-Dec-2018	01-Sep-2017	10-Oct-2016
1	Term Loan	Long Term	5.59	-	[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)
2	Cash Credit	Long Term	45.00		[ICRA]BB+ (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable); ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)
3	Fund Based	Short Term	45.00		[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3; ISSUER NOT COOPERATING	[ICRA]A3; ISSUER NOT COOPERATING	[ICRA]A3
4	Non Fund based	Short Term	8.00		[ICRA]A4+; ISSUER NOT COOPERATING	[ICRA]A3; ISSUER NOT COOPERATING	[ICRA]A3; ISSUER NOT COOPERATING	[ICRA]A3
5	Unallocated	Long/ Short Term	3.37	-	[ICRA]BB+ (Stable)/ [ICRA]A4+ ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)/ [ICRA]A3; ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)/ [ICRA]A3; ISSUER NOT COOPERATING	[ICRA]BBB- (Stable)/ [ICRA]A3

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

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1
Instrument Details

ISIN No	Instrument	Type	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term Loan	Long-term	-	-	-	5.59	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Cash Credit	Long-term	-	-	-	45.00	[ICRA]BB+(Stable); ISSUER NOT COOPERATING
NA	Fund Based	Short-term				45.00	[ICRA]A4+; ISSUER NOT COOPERATING
NA	Non Fund based	Short-term				8.00	[ICRA]A4+; ISSUER NOT COOPERATING
NA	Unallocated	Long/Short-term				3.37	[ICRA]BB+(Stable)/[ICRA]A4+ ISSUER NOT COOPERATING

Source: Apex Frozen Foods Limited

Analyst Contacts

Ravichandran K
+91 44 4596 4301
ravichandran@icraindia.com

Srinivasan R
+91 44 4596 4315
r.srinivasan@icraindia.com

Sahabuddin Khan
+91 033 7150 1129
sahabuddin.khan@icraindia.com

Sruthi Vinesh
+91 080 4922 5513
sruthi.vinesh@icraindia.com

Relationship Contact

Jayanta Chatterjee
+91 80 4332 6401
jayantac@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries:

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

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

ICRA Limited

Corporate Office
Building No. 8, 2nd Floor, Tower A; DLF Cyber City, Phase II; Gurgaon 122 002
Tel: +91 124 4545300
Email: info@icraindia.com
Website: www.icra.in

Registered Office
1105, Kailash Building, 11th Floor; 26 Kasturba Gandhi Marg; New Delhi 110001
Tel: +91 11 23357940-50

Branches

Mumbai	+ (91 22) 24331046/53/62/74/86/87
Chennai	+ (91 44) 2434 0043/9659/8080, 2433 0724/ 3293/3294,
Kolkata	+ (91 33) 2287 8839 /2287 6617/ 2283 1411/ 2280 0008,
Bangalore	+ (91 80) 2559 7401/4049
Ahmedabad	+ (91 79) 2658 4924/5049/2008
Hyderabad	+ (91 40) 2373 5061/7251
Pune	+ (91 20) 2556 0194/ 6606 9999