

10 April, 2014

**CARE REAFFIRMS THE RATINGS ASSIGNED TO THE BANK FACILITIES OF  
ULKA SEA FOODS PRIVATE LIMITED**

**Ratings**

| Facilities                 | Amount<br>(Rs. crore) | Rating <sup>1</sup>           | Remarks    |
|----------------------------|-----------------------|-------------------------------|------------|
| Long-term Bank Facilities  | 8.15                  | CARE BBB-<br>(Triple B Minus) | Reaffirmed |
| Short-term bank Facilities | 26.50                 | CARE A3<br>(A Three)          | Reaffirmed |
| <b>Total Facilities</b>    | <b>34.65</b>          |                               |            |

**Rating Rationale**

The ratings assigned to the bank facilities of Ulka Sea Foods Private Limited (USFPL) continue to derive strengths from its established track record of operations for more than a decade, experience of the promoters in the seafood processing industry, consistent financial support provided by promoters in the past and moderate capital structure and debt coverage indicators. Furthermore, the rating also derives strength from strategic tie-up with suppliers and approved processing facility located close to the fish procurement area.

The ratings, however, continue to be constrained by moderate financial risk profile marked by low profitability margins and competitive nature of the industry coupled with foreign exchange fluctuation risk.

USFPL's ability to increase its scale of operation along with sustainable improvement in the financial risk profile are the key rating sensitivities.

**Background**

Incorporated in 2003, Ulka Sea Foods Private Limited (USFPL) was promoted by Mr Salim Dange and the Rohakale family. However, during 9MFY13, Mr Salim Dange resigned from the management selling his stake to Mrs Manda Rohakale.

USFPL is engaged in surimi fish production & processing of the seafood (primarily fish). USFPL primarily exports to Russia, other south-east Asian countries and Europe & procures fish from fishermen operating in the western coastline of India.

USFPL has three manufacturing facilities with total capacity of 45000 Metric Tonne Per Annum (MTPA) located in Mumbai which are approved by Hazard Analysis Critical Control Point (HACCP) and are also certified by European Union (EU). Furthermore, the company had closed its Goa units in April 2013 and shifted its machinery to the Talaja plant.

During FY13 ( refers to the period April 01 to March 31), USFPL had posted a total operating income of Rs.264.03 crore (down by 1.79% vis-à-vis FY12) and PAT of Rs.3.53 crore (up by 28.45% vis-à-vis FY12). Furthermore, during 11MFY14 (provisional), USFPL has posted a total income of Rs.189 crore & PAT of Rs.4.14 crore.

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<sup>1</sup>Complete definitions of the ratings assigned are available at [www.careratings.com](http://www.careratings.com) and in other CARE publications.

*CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.*

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