

APRIL 13, 2016

## CARE REAFFIRMS THE RATING ASSIGNED TO THE BANK FACILITIES OF ULKA SEA FOODS PRIVATE LIMITED

**Ratings**

Facilities	Amount (Rs. crore)	Rating <sup>1</sup>	Remarks
Long-term Bank Facilities	3.73	CARE BBB- (Triple B Minus)	Reaffirmed
Short-term Bank Facilities	33	CARE A3 (A Three)	Reaffirmed
<b>Total Facilities</b>	<b>36.73</b> <b>(Rupees Thirty Six crore and</b> <b>Seventy Three lakh only)</b>		

**Rating Rationale**

The ratings assigned to the bank facilities of Ulka Sea Foods Private Limited (USFPL) continue to derive strength from its established track record of operations for more than a decade, experience of the promoters in the seafood processing industry, continuous financial support extended by promoters in the past and strategic tie-up with suppliers and approved processing facility located in proximity to the fish procurement area. The reaffirmation of ratings factor in the increase in operating income and improvement in capital structure during FY15 (refers to the period April 1 to March 31). The ratings, however, continue to be constrained by competitive nature of the industry coupled with foreign exchange fluctuation risk. The ratings also factor in the low profit margins, moderate capital structure and debt coverage indicators. USFPL's ability to increase its scale of operation along with improvement in profitability and capital structure and efficient management of working capital are the key rating sensitivities.

**Background**

Incorporated in 2003, Ulka Sea Foods Private Limited (USFPL) was promoted by the Rohakale family. USFPL is engaged in surimi fish production & processing of the seafood (primarily fish). USFPL primarily exports to Russia, South-east Asian countries and Europe & procures fish from fishermen operating in the western coastline of India. USFPL has three manufacturing facilities with a total capacity of 45000 Metric Tonnes Per Annum (MTPA) located in Mumbai which are approved by Hazard Analysis Critical Control Point (HACCP) and are also certified by European Union (EU).

During FY15, USFPL had posted total operating income of Rs.292.20 crore (vis-à-vis Rs.226.15 crore FY14) and PAT of Rs.1.94 crore (vis-à-vis Rs.1.31 crore in FY14). Furthermore, during 11MFY16 (provisional), USFPL has posted total income of Rs.274.22 crore.

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**\*\*For detailed Rationale Report and subscription information, please contact us at [www.careratings.com](http://www.careratings.com)**

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

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In case of partnership/proprietary concerns, the rating assigned by CARE is based on the capital deployed by the partners/proprietor 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 in addition to the financial performance and other relevant factors.

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