

April 9, 2013

**Press Release**  
**CARE reaffirms the ratings assigned to the Bank Facilities of**  
**Ulka Sea Foods Private Limited**

**Ratings**

<b>Facilities</b>	<b>Amount (Rs. crore)</b>	<b>Rating<sup>1</sup></b>	<b>Remarks</b>
Long-term Bank Facilities	10.86 (enhanced from 2.71)	CARE BBB- (Triple B Minus)	Reaffirmed
Short-term Bank Facilities	26.50 (enhanced from 9.42)	CARE A3 (A Three)	Reaffirmed
<b>Total Bank Facilities</b>	<b>37.36</b>		

**Rating Rationale**

The ratings assigned to the bank facilities of Ulka Sea Foods Private Limited (USFPL) continue to derive strength from the experience of the promoters in the seafood processing industry, established track record of operations alongwith strategic tie-up with suppliers and approved processing facility located close to the raw material procurement area. The ratings further derive strength from the continuous infusion of funds from the promoters in the form of unsecured loans.

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

Improvement in the overall financial risk profile and increase in scale of operations with stabilization of enhanced facilities 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 (processed fish) manufacturing and frozen fish processing.

All the four units (two in Mumbai & two in Goa) of USFPL are approved by Hazard Analysis Critical Control Point (HACCP) & out of which two units (one each in Mumbai and Goa) are also certified by European Union (EU). The promoters have rich experience in the sea foods industry and are also engaged in the purchase of fish for the large players.

USFPL procures fish from fishermen operating in western coastline of India and exports to Russia, other south-east Asian countries and Europe. During FY13 (refers to the period April 1 to March 31), USFPL has shifted from one of its leased unit in Mumbai to newly acquired owned unit alongwith new plant and machinery at total cost outlay of Rs.16 crore. The same also resulted in increase in installed capacity to 45,000 Metric Tonnes Per Annum (MTPA) from 38,000 MTPA (as on March 31, 2012).

During FY12, USFPL reported a total income of Rs.268.83 crore (up by 43% vis-a-vis FY11) and PAT of Rs.2.75 crore (up by 33% vis-a-vis FY11). As per provisional 9MFY13, the company has reported a total income of Rs.220.88 crore and PBT of Rs.7.43 crore.

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

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