

October 27, 2015

Facilities	Amount (Rs. Crore)	Ratings
PC/PCFC	4.00	SMERA A4+ (Assigned)
Purchase Bill Discounting	6.00	SMERA A4+ (Assigned)
Term Loan	0.79	SMERA BB-/Stable (Assigned)

SMERA has assigned ratings of '**SMERA BB- (read as SMERA double B minus) and SMERA A4+ (read as SMERA A four plus)**' to the above mentioned bank facilities of SSF Limited (SSFL). The outlook is '**Stable**'. The ratings derive comfort from the company's experienced management and long track record of operations, moderate financial risk profile and geographically diversified customer base followed by integrated operations. However, the ratings are constrained by the company's small scale of operations, product concentration, Susceptibility to risks inherent in the seafood industry followed by uneven profit margins.

Outlook: Stable

SMERA believes SSFL will benefit from its long track of operations over the medium term. The outlook may be revised to Positive if there is higher than expected revenue generation with healthy operating margins and working capital management leading to better financial flexibility. Conversely, the outlook may be revised to Negative if there is lower than expected revenue generation leading to unhealthy profit margins.

Rating Sensitivity Factors

- Scaling of operations
- Maintaining Profitability

About the Company

SSF Limited is involved in the business of exporting prawns and shrimps to European and other Asian countries. The company was incorporated in the year 1968. Since its incorporation it has been involved in the same line of business. The company's main administration office is based out of Chennai. SSF Limited has two seafood processing unit, one in Visakhapatnam and the other in Kakinada. The unit at Kakinada is given on lease and SSF Limited operates out of the Visakhapatnam unit.

For FY2014-15, SSFL reported profit after tax (PAT) of Rs. 0.38 crore on operating income of Rs. 30.20 crore, as compared with PAT of Rs.0.86 crore on operating income of Rs.31.35 crore in the previous year.

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SMERA RATINGS LIMITED

SSF Limited (SSFL)

Rating
Rationale

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