

S. S. Sea Food Private Limited: Assigned

Facilities	Amount (Rs. Crore)	Ratings/Outlook
Term Loan	3.78	SMERA B-/Stable (Assigned)
Packing Credit	2.00	SMERA A4 (Assigned)
Proposed	0.22	SMERA A4 (Assigned)

SMERA has assigned long term rating of '**SMERA B-**' (read as **SMERA B minus**) on the Rs.3.78 crore (fund based) bank facility and short term rating of '**SMERA A4**' (read as **SMERA A four**) on the Rs.2.22 crore (fund based) bank facilities of S. S. Sea Food Private Limited (S.S Sea Food). The outlook is '**Stable**'. The ratings are constrained by the company's susceptibility to risks inherent in the seafood industry and exchange rate fluctuations. The ratings also factor in the below average financial profile and intense market competition. However, the ratings are supported by the experienced management, diversified geographical presence and varied products.

S.S Sea Food, established in 2012 is a trader and exporter of sea food. The company is vulnerable to inherent risks in the seafood industry such as susceptibility to diseases, climate changes, fluctuations in exchange rates among others.

The company's below average financial risk profile is marked by high debt equity ratio at 18.67 times, net losses and weak debt protection metrics in FY2015, on account of its nascent stage of operations.

However, the ratings draw comfort from the long experience of the promoters, the diversified geography that the company caters to and the wide range of products. The company exports shrimps and varieties of fish including pomfret, ribbon fish, cuttlefish to name a few to Japan, Germany, and Vietnam among others.

Rating Sensitivity Factors

- Improvement in the capital structure
- Scaling up operations while improving profit margins
- Extent of debt funding capex mix

Outlook-Stable

SMERA believes that S.S Sea Food will continue to benefit over the medium term from the promoters long experience in the sea food business. The outlook may be revised to 'Positive' if the company earns more than expected revenue while improving profit margins. Conversely, the outlook may be revised to 'Negative' if the company fails to achieve scalability amidst intensifying competition in its area of operation or if the financial risk profile deteriorates.

Criteria applied to arrive at the rating:

- Trading entities

About the Company

The Kolkata-based S.S Sea Food was established in 2012 by Sankar Kumar Dutta and Sankar Pal. The company commenced operations in 2015 to trade in fish and shrimps. It purchases fish and shrimps from agents in West Bengal and exports them to traders in Vietnam, China, Japan, Australia and Germany.

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ABOUT SMERA

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