

Press Release

Shankhadeep Exports Private Limited

D-U-N-S® Number: 67-763-3416

January 05, 2019



Rating Assigned

Total Bank Facilities Rated	Rs.24.00 crore
Short Term Rating	ACUITE A4+ (Assigned)

Rating Rationale

Acuite has assigned the short term rating of '**ACUITE A4+**' (read as **ACUITE A four plus**) to the Rs.24.00 crore bank facilities of Sankhadeep Exports Private Limited (SEPL).

Incorporated in 2008 by the Jana family of Kolkata, SEPL is engaged in processing and export of sea food, primarily Vannami and black tiger prawns. SEPL has its processing facilities at Kolkata (West Bengal). The facility has an aggregate installed capacity of 60 TPD for processing of seafood. The company has Star Export House status from the Government of India. The company exports its products mainly to Japan, Vietnam, China, Singapore, Malaysia and Thailand.

Analytical Approach:

Acuite has taken a standalone view of the business and financial risk profile of SEPL to arrive at the rating.

Key Rating Drivers:

Strengths

Experienced management

The Directors, Mr. Mahadev Jana, Ms. Tanushree Jana, Mr. Sahadeb Jana and Mr. Kamdev Jana have more than a decade of experience in processing of sea food.

Modest scale of operation

The scale of operation of the company stood at modest at Rs.162.35 crore in FY2018 as compared to Rs.157.65 crore. The company has booked revenue of Rs.146.96 crore till November FY2018 (Provisional).

Weaknesses

Low profitability margin

Though the operating profit of the company had increased, still stood low at 2.01 percent in FY2018 as compared to 1.71 percent in FY2017. The net profitability is also low at 0.77 percent in FY2018 as compared to 0.65 percent in the previous year.

Average financial risk profile

SEPL's average financial risk profile is marked by moderate net worth of Rs.7.41 crore as on 31 March, 2018, increased from Rs.5.66 crore as on 31 March, 2017, mainly on account of retention of current year profit. The gearing of the company stood moderate at 1.53 times as on 31 March, 2018 as against 2.25 times as on 31 March, 2017. The total debt of Rs.11.34 crore consists of short term debt. The interest coverage ratio (ICR) of the company stood comfortable at 2.73 times in FY2018 as compared to 2.38 times in the previous year. Debt service coverage ratio (DSCR) of the company stood comfortable at 2.24 times in FY2018 as compared to 2.00 times in previous year. Net cash accrual to total debt stood comfortable at 0.14 times in FY2018 as compared to 0.10 times in the previous year.

About the Rated Entity - Key Financials

	Unit	FY18 (Actual)	FY17 (Actual)	FY16 (Actual)
Operating Income	Rs. Cr.	162.35	157.65	109.31
EBITDA	Rs. Cr.	3.27	2.69	2.00
PAT	Rs. Cr.	1.25	1.03	0.61
EBITDA Margin	(%)	2.01	1.71	1.83
PAT Margin	(%)	0.77	0.65	0.56
ROCE	(%)	16.91	17.67	25.06
Total Debt/Tangible Net Worth	Times	1.53	2.25	2.05
PBDIT/Interest	Times	2.73	2.38	2.37
Total Debt/PBDIT	Times	3.28	4.04	4.58
Gross Current Assets (Days)	Days	34	34	35

Status of non-cooperation with previous CRA (if applicable)

None

Any other information

None

Applicable Criteria

- Default Recognition - <https://www.acuite.in/criteria-default.htm>
- Manufacturing Entities- <https://www.acuite.in/view-rating-criteria-4.htm>
- Financial Ratios And Adjustments - <https://www.acuite.in/view-rating-criteria-20.htm>

Note on complexity levels of the rated instrument

<https://www.acuite.in/criteria-complexity-levels.htm>

Rating History (Upto last three years)

Not Applicable

*Annexure – Details of instruments rated

Name of the Facilities	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. Crore)	Ratings/Outlook
Export Packing Credit	Not Applicable	Not Applicable	Not Applicable	24.00	ACUITE A4+ (Assigned)

Contacts:

Analytical	Rating Desk
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About Acuite Ratings & Research:

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