



March 2, 2010

ICRA reaffirms LA- rating for the bank limits of Sealion Sparkle Maritime Services Limited

ICRA has reaffirmed the LA- (pronounced L A minus) rating for the Rs. 72.12 million (enhanced from Rs. 50 million) term loans of Sealion Sparkle Maritime Services Limited (SSMSL)[†]. The rating has been assigned a Stable outlook.

While reaffirming the rating, ICRA has taken a consolidated view of SSMSL along with its parent company Ocean Sparkle Limited (which is rated at LA+/A1 by ICRA). The rating continues to reflect the company's strong promoter background, assured long-term contractual revenue streams and modest financial risk profile on a consolidated basis, as a part of the Ocean Sparkle Limited Group. The rating is, however, constrained by the company's small size of operations; relatively weak return and debt servicing indicators on a projected basis owing to a decline in revenue streams as per the contractual terms; and concentration risk arising from dependence on a single customer for the entire revenues. ICRA, however, notes that as a project-specific special purpose vehicle (SPV), SSMSL is not expected to have any significant incremental capital expenditure or funding requirements as a result of which, its debt service indicators although modest on a standalone basis, are likely to remain stable in the future.

Company Profile

Incorporated in 2002, SSMSL is an SPV engaged in the sale and charter back of the entire fleet of Ennore Port Limited comprising three tugs, two pilot launches and three mooring crafts, under a 12-year contract that is valid until April 2015, along with the provision of other port management services. SSMSL commenced operations in May 2003. The company is a 51:49 JV between Ocean Sparkle Limited, a leading port management service provider in India and PSA Marine Pte Ltd. of Singapore, a multinational marine service provider and a wholly owned subsidiary of PSA International Pte. Ltd. The operations of SSMSL are headed by Mr. Sanjeev Dhawan, who is one of the co-promoters of Ocean Sparkle Limited.

SSMSL reported a profit after tax (PAT) of Rs. 26 million on an operating income (OI) of Rs. 127 million in 2008-09. As per unaudited results, the company has reported a PAT of Rs. 13 million on an OI of Rs. 60 million in H1 2009-10.

For further details please contact:

Analyst Contacts:

Mr. K.Ravichandran, (Tel No 91-44 45964301)
ravichandran@icraindia.com

Relationship Contacts:

Mr. Jayanta Chatterjee, (Tel. No. +91-80-43326401/ 098 450 22459)
jayantac@icraindia.com

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

[†] For complete rating scale and definitions, please refer to ICRA's website www.icra.in or other ICRA Rating Publications.

PRESS RELEASE

Disclaimer: ICRA Ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA Ratings are subject to a process of surveillance, which may lead to revision in ratings. Please visit our website (www.icra.in) or contact any ICRA office for the latest information on ICRA Ratings outstanding.