

## Kalyan Aqua and Marine Exports India Private Limited

June 18, 2025

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term Bank Facilities	96.50	CARE BB+; Stable	Downgraded from CARE BBB-; Stable
Short Term Bank Facilities	2.50	CARE A4+	Downgraded from CARE A3

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

The revision in ratings assigned to the bank facilities of Kalyan Aqua and Marine Exports India Private Limited (Kalyan) is primarily driven by the deterioration in the company's operational and financial performance in FY25 (Provisional) owing to production disruption caused due to red alert status issued to its processing unit in Ongole. The unit was subsequently reinstated to green status as per the US Food and Drug Administration (USFDA) letter dated April 14, 2025.

The rating action also factors in the company's subdued performance over the past two years (FY24 and FY25), along with its moderate financial risk profile, as reflected in the deterioration of debt coverage metrics, an elongated operating cycle due to higher inventory levels and extended receivables, geographical concentration risk, exposure to a highly competitive and regulated industry, and the inherent risks associated with the seafood export sector.

The rating continue to draw comfort from the extensive experience of the promoters, the company's strategically located facility, and satisfactory PBILDT margins though reduced profit levels in FY25 compared to FY24. The ratings are also supported by an adequate liquidity position, backed by free fixed deposits of ₹9 crore as on March 31, 2025, the presence of necessary accreditations at the processing plant, a stable industry outlook, and continued government support to the sector

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Total operating income (TOI) improving to around ₹250 crore and above with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin of around 6%.
- Overall gearing improving at around 1.5x.

#### Negative factors

- Significantly declining TOI and PBILDT margin by more than 30% y-o-y.
- Deteriorating overall gearing to more than 2x, going forward.
- Issuance of any further red alert status by the USFDA, leading to a deterioration in operational performance from FY25 levels.

### Analytical approach: Standalone

#### Outlook: Stable

CARE Ratings Limited (CARE Ratings) believes that the entity will continue to benefit from extensive experience of promoters and management in the industry.

### Detailed description of key rating drivers:

#### Key weaknesses

#### Decline in Total Operating Income with stable PBILDT Margins (FY25 Provisional)

Kalyan's Total Operating Income (TOI) witnessed a sharp decline of 43% in FY25, falling to ₹154 crore from ₹271 crore in FY24 due to production disruption at its processing unit following the red alert status by USFDA, which was reinstated. As a result of these disruptions, order execution was delayed, leading to lower production and sales volumes, despite stable demand from the US market

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

Nevertheless, the PBILDT margin improved slightly to 6% in FY25 (from 5.6% in FY24), largely driven by better sales realization in processed shrimp and raw cultured shrimp. Going forward, operating margins are expected to remain stable in the range of 5.5-6%. The PAT margin declined to 0.85% in FY25 as against 2.41% in FY24, mainly due to higher interest costs on the back of removal of interest subvention by the government, higher depreciation following asset additions (majorly vehicle) in FY25 which weighed on net profitability.

#### **Moderate Financial risk profile.**

The overall capital structure of the company remained moderate, with an overall gearing ratio of 1.67x as on March 31, 2025, compared to 1.70x as on March 31, 2024. The net worth of the company declined marginally from ₹49.17 crore in FY24 to ₹48.74 crore in FY25. This was primarily on account of a share buyback during FY25 amounting to ₹1.73 crore, which led to a reduction in equity capital to ₹6.47 crore as on March 31, 2025.

The debt coverage indicators witnessed deterioration and remained at a moderate level. The PBILDT interest coverage ratio declined to 1.68x in FY25 from 3.14x in FY24, while the total debt to gross cash accruals (TD/GCA) increased and stands moderately weak at 21.09x in FY25 from 9.56x in FY24, owing to lower net profit levels. The debt profile is solely working capital limit.

#### **Elongated operating cycle**

The working capital cycle of the company further elongated to 249 days in FY25, as compared to 130 days in FY24, mainly due to higher inventory holding and longer collection cycle. Inventory days stands elevated at 216 days in FY25 (PY: 109 days), primarily due to the red alert issue. The company implemented multiple levels of quality checks, which extended the shipment timeline beyond the usual duration. Company typically maintains adequate inventory levels upto 3-4 months to avail the price benefit of bulk purchase of raw material, this apart to maintain continuous flow of shipments to export market. Additionally, the company receives scheduled orders from clients, which are dispatched as per client requirements. These scheduled orders support inventory planning and aid in managing working capital.

The collection period remained at around 2 months on an average, but due to increase in quality check at various levels at the US port and also from the client side, the collection was elongated to 110 days in FY25 from 53 days in FY24. Similarly on the supplier side, the company majorly procures raw material from the farmers, who are generally paid within 1.5 months, however, in FY25, the payment period extended to 3 months due to the company's long-standing relationships with these farmers. The average utilisation of fund based working capital limits remained moderately high at around 85% for the past 12 months period ended April 2025.

#### **Geographical concentration risk**

The company generates over 75-80% of its revenue from the US, exposing Kalyan to regulations and restrictions specific to that country. The seafood export segment faces stringent regulations and quality requirements, with export destinations like the US, Japan, and European countries periodically implementing regulations, including anti-dumping duties, food safety regulations, and quality standards, which must be adhered to.

#### **Competitive industry with susceptibility to raw material price volatility**

The shrimp processing and export industry is characterised by high fragmentation, with numerous small players operating within it. The industry's dependence on shrimp farms for raw material limits bargaining power of individual companies. As shrimp is an agricultural commodity, production and raw material prices are prone to fluctuations and depend on vagaries of nature. This volatility can impact profitability margins due to unstable nature of raw materials. The procurement price of shrimp is subject to fluctuations based on catch and availability in specific periods, exposing companies to product price volatility.

#### **Inherent risk associated with seafood sector**

The shrimp industry faces threat, primarily, from disease outbreaks and unpredictable climatic conditions. Shrimp farming is susceptible to lethal viral and bacterial diseases, further complicating the industry's challenges. Seafood export segment is also marked by stringent regulations and quality requirements.

### **Key strengths**

#### **Experienced promoters with well-established market relationships**

Kalyan is promoted by P. Rajendra Prasad, the Managing Director, and his family and relatives. With more than two decades of experience in the industry, P. Rajendra Prasad actively oversees the company's day-to-day operations. He is assisted by his son, P. Seshadri, who serves as a Director at Kalyan and holds the position of Managing Director at Chakri Fisheries Private Limited,

focusing on material procurement, processing, and plant administration functions. The board includes directors P. Lakshmi Rajyam and Savithri Sneha, both accomplished women entrepreneurs with over a decade of experience, responsible for managing administration and financial functions within the company. Promoters are supported by a team of qualified and experienced professionals. Over the years, promoters have consistently backed business operations through timely infusion of funds when required.

#### **Favourable location of the unit**

Kalyan's processing plant, strategically situated in Prakasam district, enables the company to promptly procure raw materials and process them on-site. They source from major coastal regions of Andhra Pradesh, including Kakinada, Bhimavaram, and Ongole. Kalyan owns trucks and vehicles to transport raw materials from farmers to their manufacturing unit. Post procurement, raw materials undergo washing and analysis at Kalyan's in-house laboratory, and value addition according to importers' specifications before being freeze-packed into blocks using Individual Quick Freezing (IQF) machines. The company also processes shrimps to meet buyer requirements, taking approximately 45-60 days for shipment to the USA, preferring Krishnapatnam port and Chennai port due to higher availability of shipping lines

#### **Accredited manufacturing facility and compliance**

Kalyan's processing facility is well-equipped and compliant with international seafood standards. The company holds a license from the Marine Products Exports Development Authority (MPEDA) and is accredited with certifications from Hazard Analysis Critical Control Point (HACCP), regulated by the United States Food and Drug Administration (USFDA). The company also adheres to British Retail Consortium (BRC) standards and holds ISO-22000 certification. Kalyan is also certified with Best Aquaculture Practices (BAP) 2 STAR for seafood choice.

#### **Government support to the sector**

Being an export-oriented entity, Kalyan is eligible for various government incentives such as Duty Drawback and Remission of Duties or Taxes on Export Products (RoDTEP). Over the years, the Government of India (GoI) has consistently extended financial support to the seafood sector, enabling exporters to sustain healthy profitability margins. Additionally, the GoI provides capital subsidies for setting up or expanding seafood processing units, further encouraging capacity enhancement and value addition within the industry

#### **Liquidity: Adequate**

The company's liquidity position is adequate, marked by sufficient GCA of about ₹6 crore against minimal term debt repayment obligations. The utilisation of working capital limits remained moderately high at around 85% in 12-months ended April 2025, due to working capital intensive operations. Liquidity is supported by an above unity current ratio of 1.27x and continuing unencumbered liquid balance of ₹9 crore as on March 31, 2025. Cashflow from operations stood positive at around Rs 18 crore as on March 31, 2025

**Assumptions/Covenants-** Not Applicable

**Environment, social, and governance (ESG) risks-** Nil

#### **Applicable criteria**

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Financial Ratios – Non financial Sector](#)

[Short Term Instruments](#)

#### **About the company and industry**

##### **Industry classification**

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Seafood

Based in Vishakhapatnam, Andhra Pradesh, Kalyan was incorporated on October 5, 2007, by P. Rajendra Prasad and his family. Kalyan is engaged in processing and exporting varieties of Vannamei Shrimps to the USA, Canada, Asian, the Middle Eastern, and European countries. The company's processing facilities are well-equipped and compliant with international standards for seafood processing. As of March 2024, the company has an installed capacity of 8100 MTPA.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (Prov.)
Total operating income	284.66	270.70	153.53
PBILDT	16.39	15.17	9.23
PAT	8.18	6.53	1.31
Overall gearing (times)	1.59	1.70	1.67
Interest coverage (times)	4.51	3.14	1.68

A: Audited Prov.:Provisional; Note: these are latest available financial results

**Status of non-cooperation with previous CRA:** Not applicable

**Any other information:** Not applicable

**Rating history for last three years:** Annexure-2

**Detailed explanation of covenants of rated instrument / facility:** Annexure-3

**Complexity level of instruments rated:** Annexure-4

**Lender details:** Annexure-5

#### Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-EPC/PSC		-	-	-	96.50	CARE BB+; Stable
Non-fund-based - ST-Bank Guarantee		-	-	-	0.50	CARE A4+
Non-fund-based - ST-Credit Exposure Limit		-	-	-	2.00	CARE A4+

**Annexure-2: Rating history for last three years**

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023
1	Fund-based - LT-EPC/PSC	LT	96.50	CARE BB+; Stable	-	1)CARE BBB-; Stable (11-Jun-24)	1)CARE BBB-; Stable (22-Jun-23)	1)CARE BBB-; Stable (15-Nov-22)
2	Non-fund-based - ST-Letter of credit	ST	-	-	-	1)Withdrawn (11-Jun-24)	1)CARE A3 (22-Jun-23)	1)CARE A3 (15-Nov-22)
3	Fund-based - LT-Stand by Limits	LT	-	-	-	1)Withdrawn (11-Jun-24)	1)CARE BBB-; Stable (22-Jun-23)	1)CARE BBB-; Stable (15-Nov-22)
4	Fund-based - LT-Term Loan	LT	-	-	-	1)Withdrawn (11-Jun-24)	1)CARE BBB-; Stable (22-Jun-23)	1)CARE BBB-; Stable (15-Nov-22)
5	Non-fund-based - ST-Bank Guarantee	ST	0.50	CARE A4+	-	1)CARE A3 (11-Jun-24)	1)CARE A3 (22-Jun-23)	1)CARE A3 (15-Nov-22)
6	Non-fund-based - ST-Credit Exposure Limit	ST	2.00	CARE A4+	-	1)CARE A3 (11-Jun-24)	1)CARE A3 (22-Jun-23)	1)CARE A3 (15-Nov-22)
7	Non-fund-based - ST-Standby Letter of Credit	ST	-	-	-	1)Withdrawn (11-Jun-24)	1)CARE A3 (22-Jun-23)	1)CARE A3 (15-Nov-22)
8	Fund-based - LT-Bill Discounting/ Bills Purchasing	LT	-	-	-	-	1)Withdrawn (22-Jun-23)	1)CARE BBB-; Stable (15-Nov-22)

LT: Long term; ST: Short term

**Annexure-3: Detailed explanation of covenants of rated instruments/facilities-** Not Applicable

**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-EPC/PSC	Simple
2	Non-fund-based - ST-Bank Guarantee	Simple
3	Non-fund-based - ST-Credit Exposure Limit	Simple

**Annexure-5: Lender details**

To view the lender wise details of bank facilities please [click here](#)

**Note on complexity levels of rated instruments:** CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact Us

<p><b>Media Contact</b></p> <p>Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a></p> <p><b>Relationship Contact</b></p> <p>Saikat Roy Senior Director <b>CARE Ratings Limited</b> Phone: 912267543404 E-mail: <a href="mailto:saikat.roy@careedge.in">saikat.roy@careedge.in</a></p>	<p><b>Analytical Contacts</b></p> <p>Karthik Raj K Director <b>CARE Ratings Limited</b> Phone: 080 46625555 E-mail: <a href="mailto:karthik.raj@careedge.in">karthik.raj@careedge.in</a></p> <p>Mohammed Javed Ansari Assistant Director <b>CARE Ratings Limited</b> Phone: 914040020131 E-mail: <a href="mailto:Mohammed.A@careedge.in">Mohammed.A@careedge.in</a></p> <p>Vineeth Mididoddi Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:vineeth.mididoddi@careedge.in">vineeth.mididoddi@careedge.in</a></p>
--	---

### About us:

Established in 1993, CARE Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CARE Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CARE Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CARE Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CARE and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**