

Jagdish Marine Exports

July 08, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Short Term Bank Facilities	10.50 (Enhanced from 10.00)	CARE A4	Reaffirmed

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The reaffirmation of the rating assigned to the bank facilities of Jagdish Marine Exports continues to be constrained by small scale of operations with low profitability, weak capital structure & debt coverage indicators and stretched liquidity position. The rating is further considered by its constitution as a proprietorship firm and foreign exchange fluctuation risk and competitive nature of the industry coupled with regulatory risks and seasonality associated with the seafood industry.

The rating, however, derives strength from experienced partners along with established track record of operations and the presence of the firm in the proximity to raw material procurement area. The diverse customer & supplier base also provides strength to its ratings

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Significant increase in scale of operations with TOI exceeding ₹75 crores on a sustained basis.
- Improvement in debt coverage indicators marked by interest coverage ratio exceeding 3 times with TD/GCA of less than 10 times on sustained basis
- Improvement in capital structure marked by overall gearing less than 1.50 times on sustained basis

Negative factors

- Elongation of working capital cycle to more than 120 days on a sustained basis.

Analytical approach: Standalone

Outlook: Not Applicable

Detailed description of key rating drivers:

Key weaknesses

Small scale of operations with thin profitability

The scale of operations of the firm remained small and fluctuating during past five years ended FY25. The Total Operating Income (TOI) improved significantly by 18.21% from ₹26.96 crore in FY24 to ₹31.87 crore in FY25. The sales in FY24 experienced a decline due to red-sea crisis, which caused delays and forced carrier ships to reroute through Africa. In FY25, with resumption of same, the sales picked up due to improvement in demand from existing customers but were constrained due to frequent disruptions due weather conditions in October and November 2024, leading to reduced fishing activity carried out in that period. During these periods, the firm managed its raw material requirements by procuring raw materials from Maharashtra. Nevertheless, the small scale of operations deprives firm from the benefits of economies of scale and restricts the financial flexibility of the company in times of stress. During 3MFY26 (refers to April 01, 2025, to June 25, 2025), the firm has achieved net sales of ₹9.00 crore as compared to sales of Rs. 5.77 crore in 3MFY25 (refers to April 01, 2024, to June 24, 2024). The tangible network also stood low at ₹0.92 crore as on March 31, 2025 (₹0.58 crore as on March 31, 2024) due to excess withdrawal from the capital because of change in partnership during FY23.

The profit before interest, lease rentals, depreciation and taxation (PBILD) margin remained thin and has moderated to 3.08% in FY25 vis-à-vis 3.50% in FY24 due to reduction in packaging material charges and freight costs as compared to FY24. The PAT margin, however, improved to 1.11% in FY25 from 0.68% in FY24, due to reduced interest cost and non-operating income of Rs. 0.10 crore in FY25 (PY: Rs. 0.02 crore). Nevertheless, the absolute PBILD continue to remain low at ₹0.98 crore in FY25 (vis-à-vis ₹0.94 crore in FY24).

¹Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Weak capital structure and debt coverage indicators

The capital structure of JME improved significantly, however stood weak marked by an overall gearing ratio of 14.61 times as on March 31, 2025, as against 23.34 times as on March 31, 2024, owing to a marginal improvement in net worth with similar debt levels. Similarly, the debt coverage indicators marked by total debt to gross cash accruals albeit improved, continue to remain weak at 22.40 times in FY25, as against 34.17 times in FY24. Similarly, interest coverage improved marginally and stood moderate at 2.04 times during FY25 as against 1.66 times during FY24, due to a marginal increase in PBILDT.

Competitive nature of the industry coupled with regulatory risks and seasonality associated with the seafood industry

Seafood is a depleting commodity; the increased severity of regulations on excessive fishing has rendered supply more irregular. JME procures its raw material requirement primarily from Gujarat, which exposes it to risks of regional concentration as well. Besides, fish procurement is seasonal, with the fishing season lasting from September to May; hence the company has to stock fish for export during the off season, thus increasing its inventory levels. Apart from seasonality, adverse climate conditions, lack of quality feed, rampant diseases continue to pose risk in the raw material procurement. Further, processed sea food industry is highly competitive with the presence of a large number of Indian players as well as players from other Southeast Asian countries. Further, export of sea food is highly regulated, as exporters of sea food must meet various regulations imposed by importing nations as well as imposed by the Indian government.

Constitution as a proprietorship firm

JME being a partnership firm is exposed to inherent risk of partners' capital being withdrawn at time of personal contingency and firm being dissolved upon the death/retirement/insolvency of proprietor. Moreover, partnership firms have restricted access to external borrowings as credit worthiness of promoter would be key factors affecting credit decision for lenders. There was a complete change in partnership in FY23 due to which there was significant reduction in the capital account. There was no capital withdrawal in FY25 against capital withdrawal of Rs. 0.03 crore in FY24.

Foreign exchange fluctuation risk

JME does very high exports of 97.45% of the total revenue in FY25 (vis-à-vis 92.15% in FY24). Thus, it exposed to significant foreign exchange fluctuation risk. This overall structure does not provide any natural hedge in absence of import. From the hedging perspective, it has partial hedging policy and hedges its risk through forward contracts. Accordingly, the profit margins of JME remain susceptible to the adverse or favourable movement in forex rate, which had been highly volatile in the past. The firm has witnessed foreign currency fluctuation gain of Rs. 0.51 crore in FY25 (vis-à-vis Rs. 0.35 crore in FY24).

Key strengths**Experienced Promoters along with established track record of operations**

Mr. Lakhambhai Bhensala looks after overall operations of the firm. He holds four decades of experience in the sea food industry. He is founder of Gopal Group formed in 2001, which includes another five entities viz. SailgangaEu Exports, Gopal Sea Foods, Kanaiya Marin Exports, Gopal Enterprises and Gopal Fisheries. He is supported by Mrs. Hiraben Bhensala and Mr. Narendra Bhensala. All the entities are engaged in sea food processing and exports business. Presently, he is also involved in management of Kanaiya Marine Exports, Sailganga Eu Exports and Gopal Enterprises.

The firm has an established track record of two decades in processing and exports of sea food, where it focus on exports to various countries like Italy, Spain, Portugal, China as well as some Middle east countries. JME is government recognized star export house and the processing unit of the firm is certified by Marine Product Export Development Authority (MPEDA) and Export Inspection Council of India (EICI).

Proximity to raw material procurement area

JME's plant is located at Veraval, Gujarat, i.e., on the Indian West Coastal line which is a rich source of various varieties of fish such as Indian Mackerel, Ribbon Fish, King Fish, Squids, Tuna, Shrimps and Pink Pearch etc. JME makes all the required purchases related to fish from local fisherman as well as from dealers and agents.

Established relationship with its diverse customer and supplier base

JME has a diversified customer base with exposure to foreign markets countries like countries like Italy, Spain, Portugal, United Kingdom, Greece, France. The exports accounted to contributed to 97.15% of the total sales in FY25 vis-à-vis 92.15% in FY24 and 93.56% in FY23. The top 10 customer accounts to 61.94% of the total sales in FY25. While the top-most customer contributed 25.07% of revenue for FY25 (37.85% in FY24) leading to a customer concentration risk. The supplier base of JME also remained diverse with Top 10 suppliers contributing to 22.03% of the total purchases in FY25 (PY: 22.59%).

Liquidity: Stretched

The firm has availed fund-based working capital facility from the bank which it utilized at ~50-60% for the past 12 months ended May-2025. JME has cash and bank balance of ₹0.33 crore as on March 31, 2025 (₹0.99 crore as on March 31, 2024). The gross cash accruals will be sufficient against debt repayment obligations of ₹0.30 crore in FY26. The current ratio stood weak and the same has deteriorated marginally to 0.96 times as on March 31, 2025, as against 1.60 times as on March 31, 2024. Moreover, cash flow from Operations (CFO) stood positive at ₹0.27 crore in FY25 as against ₹1.05 crore during FY24. The operating cycle improved slightly to 115 days in FY25 as compared to 128 days during FY24 on account of significant improvement in inventory levels.

Assumptions/Covenants: Not Applicable

Environment, social, and governance (ESG) risks: Not Applicable

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

Veraval (Gujarat) based JME is a partnership firm which was promoted by Bhensala family since 2011. SEE is engaged into processing and export of seafood mainly shrimp, cuttlefish, and octopus. It has an installed capacity of 22 Tons per day as on March 31, 2025, with an average capacity utilization of ~50% in FY25. Majority of the purchases is from local market and sales is primarily in form of exports to European union countries like Italy, Spain, France, Netherland etc. which contributed to 97.45% of the total sales in FY25 vis-à-vis 93.56% of the total sales in FY24. Till FY22, Mr. Hareshbhai Bhensala, Mr. Jagdishbhai Bhensala and Mr. Narshibhai Bhensala were the partners of the firm, who are the family members of Mr. Lakhambhai Bhensala, retired from the business as they explored other business opportunities. In FY23, Mr. Lakhambhai Bhensala, Mrs. Hiraben Bhensala and Mr. Narendra Bhensala were joined as partners.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	26.96	31.87
PBILDT	0.94	0.98
PAT	0.18	0.35
Overall gearing (times)	23.34	14.61
Interest coverage (times)	1.66	2.04

A: Audited UA: Unaudited; 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 - ST-Packing Credit in Indian rupee		-	-	-	10.50	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 - ST-Packing Credit in Indian rupee	ST	10.50	CARE A4	-	1)CARE A4 (03-Jul-24)	1)CARE A4 (18-Sep-23)	-

LT: Long term; ST: Short term; LT/ST: Long term/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 - ST-Packing Credit in Indian rupee	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 for clarifications.

Contact us

<p>Media Contact</p> <p>Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in</p> <p>Relationship Contact</p> <p>Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in</p>	<p>Analytical Contacts</p> <p>Akhil Goyal Director CARE Ratings Limited Phone: +91-22-6754 3590 E-mail: akhil.goyal@careedge.in</p> <p>Ashish Kambli Associate Director CARE Ratings Limited Phone: +91-22-6754 3597 E-mail: Ashish.k@careedge.in</p> <p>Pranay Nighukar Lead Analyst CARE Ratings Limited E-mail: Pranay.Nighukar@careedge.in</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

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

© 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**