Fedora Sea Foods Private Limited

March 11, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	54.07 (Enhanced from 50.00)	CARE BBB; Positive	Reaffirmed; Outlook revised from Stable
Long-term / Short-term bank facilities	130.00 (Enhanced from 110.00)	CARE BBB; Positive / CARE A3	Reaffirmed; Outlook revised from Stable

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

Revision in the outlook from 'Stable' to 'Positive' reflects the expectation that the company will sustain its total operating income (TOI) and improve profitability, supported by expansion of existing capacities and further diversification into value-added shrimp products. The outlook also factors the company's plan to secure additional working capital borrowings, which is expected to ease liquidity pressure. Revision incorporates improved operational and financial performance in FY25 (Audited) and 9MFY26 (Unaudited) and healthy profitability aided by increased presence in Japan, the UK and other markets, while maintaining revenue traction from the UAE and Hong Kong.

Reaffirmation of ratings derives strength from significant improvement in operational and financial performance in FY25 and 9MFY26, comfortable profitability margins, expansion into new export markets, promoters' long experience and the company's established presence in the shrimp feed and processing value chain. The company benefits from its location in the aquaculture zone of Andhra Pradesh, partially integrated operations, an accredited manufacturing facility and an established marketing network.

Ratings further consider the company's diversification into higher-margin value-added products such as breaded shrimp and Nobashi, a stable industry outlook and adequate liquidity. However, ratings remain constrained by moderate capital structure with high dependence on working capital borrowings, exposure to raw material price volatility, geographical and customer concentration risk, inherent risks of the seafood sector, and working-capital-intensive operations leading to an elongated, though improving, operating cycle.

CARE Ratings Limited (CareEdge Ratings) has taken cognisance that the company's revenue concentration remains high, with a significant share of export revenue from Japan in Shrimp processing and domestic revenue concentrated in Andhra Pradesh. However, FSFPL's presence across the UAE and the UK and ongoing diversification across geographies and product categories is expected to partially mitigate regulatory and compliance-related risks in international markets.

CareEdge Ratings expects FSFPL to improve profitability margins in the near term, supported by steady demand for shrimp products and continued benefits from product and geographic diversification.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Increase in scale of operation above ₹750 crore while maintaining profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins above 8% on a sustained basis.
- Operating cycle maintained below 90 days on a sustained basis.
- Overall gearing ratio improved to below 0.75x.

Negative factors

- Substantial decline in scale of operation below ₹350 crore and deterioration in operating margin below 5% going forward.
- Un-envisaged debt resulting in deterioration in overall gearing ratio above 1.50x.

Analytical approach: Standalone

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

Outlook: Positive

CareEdge Ratings believes that FSFPL is expected to sustain its total operating income (TOI) and growth in profitability supported by further diversification into value added products and expansion in existing capacities. The company is expected to tie-up for additional working capital borrowings enabling it to ease the pressure on liquidity position. Outlook may be revised to 'Stable' if revenue growth or profitability margins fall below expectations or if there is delay in tie up of additional working capital limits.

Detailed description of key rating drivers:

Key strengths

Improved operational and financial performance in FY25 and 9MFY26

In FY25, capacity utilisation improved to 69% in shrimp feed and 51% in shrimp processing, compared to 56% and 41% in FY24. Supported by its diversified revenue base across shrimp feed and shrimp processing, FSFPL's revenue from operations increased to ₹703.37 crore, registering 56% year-on-year growth. Improvement was driven by rising demand for Indian seafood, higher shrimp feed consumption, geographical expansion, and the addition of premium customers in the shrimp processing segment, resulting in higher sales volumes. Sales volumes of shrimp feed and processed shrimp grew by 20% and 96%, respectively. Average sales realisation also improved to ₹87,509/MT for shrimp feed and ₹5,13,196/MT for processed shrimp, reflecting the company's ability to pass on raw material cost increases to customers. PBILDT margins moderated by 41 bps despite better sales realisation due to bad debts written off amounting to ₹15.88 crore in FY25. However, PBILDT levels increased by 47% to ₹48.25 crore. Supported by higher PBILDT and lower interest costs, net profit increased to ₹21.97 crore (up 84%), and profit after taxation (PAT) margins improved to 3.12% in FY25 (PY: 2.65%). CareEdge Ratings expects FSFPL's operational scale and profitability to remain stable in the near term, supported by improved capacity utilisation, diversified revenue streams, and continued demand in key export markets.

In 9MFY26, FSFPL reported TOI of ₹585.60 crore, indicating annualised growth of 5%, primarily driven by higher revenue from shrimp processing through the addition of premium customers across multiple countries. PBILDT and PAT levels improved to ₹45.43 crore and ₹21.52 crore, respectively. CareEdge Ratings expects FSFPL to maintain steady growth in TOI and sustain its PBILDT margins in the near term, supported by ongoing expansion in the shrimp processing segment and deeper penetration into premium export markets.

Diversified revenue mix and expanding geographical presence

FSFPL was previously focused solely on shrimp feed manufacturing, and diversified into shrimp processing in the last four years. Revenue contribution from shrimp feed and shrimp processing stood at 47% and 53%, respectively in FY25. The company historically exported a major share of processed shrimp to the UAE and Hong Kong, which together accounted for ~72% of export revenue until FY24. In FY25, FSFPL maintained steady sales to these markets, while expanding its presence in Japan and the UK. This resulted in the top four export destinations contributing 68% of total exports.

FSFPL is also focusing on premium markets and widening its product range through its cooking division, which is expected to aid scale expansion in the medium term. CareEdge Ratings Limited expects FSFPL's growing presence in premium geographies and the cooking division to support improvement in scale and export diversification in the medium term.

Experienced promoters with established track record of operations

FSFPL is promoted by Narahari Reddy and K. Vijayakumari, who bring extensive industry experience. The company has an operational track record of 15 years. Narahari Reddy, the Chairman and Managing Director, over 25 years of experience in the shrimp industry and has been managing aqua farms and hatchery operations since 1992. The company's long-standing presence across the major aquaculture clusters of Nellore, Prakasam, East Godavari and West Godavari districts supports stable access to farmers and procurement networks.

Long-standing association with clientele

Promoters being in the aquaculture industry for over two decades have established relationships with dealers operating in the coastal districts of Andhra Pradesh. FSFPL is into manufacturing and supplying shrimp feed in domestic market and majorly in the Andhra Pradesh state. FSFPL has also entered export processed shrimp per customer requirements by diversifying the segment with revenue mix of 48% and 52% of total TOI in FY25.

Partially integrated operations with established presence and marketing network in feed segment

FSFPL initially started its business with a shrimp hatchery and later expanded into shrimp feed manufacturing in 2015. The hatchery division and shrimp feed unit, in Nellore, has a production capacity of over 100 million seedlings annually and 58,000 MTPA, respectively. Further strengthening its presence in the value chain, FSFPL entered the export market by establishing a shrimp processing unit in July 2021 for processing and exporting shrimp. The processing unit has an annual production capacity of 13,000 tonne, supporting integrated operations. The shrimp feed segment remains the major revenue contributor for the company

Location advantage due to presence in aquaculture zone in Andhra Pradesh

The processing unit in Nellore, which is a prime aquaculture zone near coastal area of Andhra Pradesh, helps the company procure raw materials and process them immediately after harvest. FSFPL procures raw materials from local farmers in and around Andhra Pradesh through its agents on mutual price bargain. Shrimps are transported to processing units in insulated trucks. The processing plant at Nellore near to major seaports including Krishnapatnam, Vizag, and Chennai port, making export shipments logistically viable. The company has distribution network of above 150 dealers.

Accredited manufacturing facility from authorities

FSFPL's manufacturing facility at Nellore is compliant with standards for seafood products. The unit is accredited with certifications from Hazard Analysis Critical Control Point (HACCP), British Retail Consortium (BRC) Global Standard for Food Safety certification. It also has other certifications like Best Aqua Culture Practices (BAP) for feed and Shrimp processing.

Government support to aqua industry

India's seafood exports touched an all-time high in volume in FY23-24 despite challenges in significant export markets. India shipped 1781,602 MT of seafood worth ₹60,523.89 crore (US$7.38 billion) in 2023-24. This was accomplished despite numerous challenges in some of its key export markets, including the US. Frozen shrimp, which earned ₹40,013.54 crore (US$4881.27 million), retained its position as the top item in the seafood export basket, accounting for a share of 40.19% in quantity and 66.12% of the total dollar earnings. The Indian shrimp exports in FY24, moderated in INR terms compared to growth in earlier years, majorly due to international pricing pressure, with export realisations falling by ~10% y-o-y in FY24, with no major change in volumes. Pricing pressures are majorly from muted demand from China and Europe, which have been two major customers for India after the US, and competition from Ecuador. The marine product export from India is targeted to reach US$14 billion by 2025. Marine Products Exports Development Authority (MPEDA) has already submitted a roadmap to achieve this goal, which includes among other things, interventions required in the production, value addition, and market promotion of seafood.

Key weaknesses

Customer concentration risk

FSFPL is also subject to customer concentration with top 10 customers in FY25 alone contributed ~45% of the TOI for the company. FSFPL has been expanding its customer profile and geographical presence to mitigate the risk of concentration. Despite diversification geographically and customer wise, the company is still exposed to the concentration risk given the high percentage contribution to the revenue. Unfavourable change in the government policy such as higher anti-dumping duty or other import restriction, which will have a major impact on the company's operational and financial performance.

Moderate capital structure and debt coverage indicators

The company's total debt profile consists of term loans for capex, unsecured loans from promoters, and working capital borrowings. The company's financial risk profile marked by overall gearing ratio stood moderate at ~1.06x as on March 31, 2025, against 1.08x as on March 31, 2024, at the back of healthy profits accredited to net worth but remained moderate considering high reliance on working capital limits. Other debt coverage indicators, including interest coverage ratio stood comfortable at 3.64x, whereas total debt to gross cash accruals (TD/GCA) improved but stood high at ~5.94x in FY25.

With further improvement in financial performance in 9MFY26, overall gearing ratio further improved to below unity as on December 31, 2025, with interest coverage ratio and TD/GCA stood moderate at 4.16x and 6.37x respectively.

Working capital intensive operations

The feed processing division depends on seasonal raw materials, procuring them based on price feasibility and maintaining an inventory of approximately two months to meet market demand, leading to high inventory days. On the other hand, processed shrimp is sold directly to export customers against confirmed orders, with transit period of ~30-90 days, including procurement, processing, and shipment to the destination. Due to these operational factors, the company has a high working capital requirement, leading to reliance on working capital borrowings. This inherently results in a stretched operating cycle, which stood at 105 days in FY25, primarily due to high inventory holding of 83 days. The company's collection period was 53 days, while creditor days remained at a comfortable 31 days in FY25. As on March 31, 2025, the company's total outstanding debtors stood at ₹113.11 crore, with 95% of receivables being less than six-months old.

Presence in highly competitive industry
The seafood industry is exposed to intense competition, as there are several small and large players. Players also face intense competition from south-east Asian exporters impacting the realisations. The seafood export segment is marked by stringent regulations and quality requirements. Many of the export destinations, such as the US, Japan, and European countries, implement timely regulations (including anti-dumping duty, food safety regulations, and quality requirements) that need to be complied with.

Disease-prone industry with dependence on climatic conditions
Being agro commodity, shrimp farming is exposed to climatic conditions. Production and raw material prices tend to fluctuate and may depend on the vagaries of nature. Thus, profitability margin is impacted due to volatile nature of raw material. Shrimp farming is disease prone as there are a variety of lethal viral and bacterial diseases that affect shrimp. However, after repeated tests, Vannamei shrimps have been observed to be more resistant than Black Tiger to diseases. There has not been disease outbreak for the past one decade in Indian seafood sector. In addition to that, the company rigorously follows pond management system and timely cultural stocking process to avoid these risks.

Volatility in raw material availability affecting profitability margins
The raw material cost contributes ~70% of total TOI and raw material price volatility may impact profitability margins. FSFPL procures raw materials for Shrimp processing from local farmers in Nellore and around Andhra Pradesh through its agents on mutual price bargain. The likelihood to drop price of shrimps (owing to over stocking in export markets) and fear of spread of diseases among shrimps have forced aquaculture farmers to cut production in farms. Shrimp farming is highly disease prone as there are a variety of lethal viral and bacterial diseases that affect shrimp. The company's major raw materials are agro products such as soya, fish meal, and wheat flour among others, which are being available domestically and the company procures them through brokers and farmers at prevailing market price. Some raw materials are kharif crops, being sown in June and harvested in September-October and thus its availability is affected by weather conditions such as low or high rainfall, and production levels among others.

Vulnerability to adverse changes in export incentives, international trade policies, and forex risk
FSFPL's profitability is supported by export incentives received from the Government of India (GoI). Adverse changes in export incentives by GoI will have impact on business profile. The company derived over 100% of its sales from shrimps through exports in FY24, making it vulnerable to geographical concentration risk as demand slowdown or adverse changes in the trade policies of importing countries may affect the company's business profile.

Liquidity: Adequate
Liquidity is adequate marked by GCA of ₹28.60 crore against debt repayment obligation of ₹3.04 crore for FY26. Average utilisation of working capital limits for 12 months ended January 2026 stood at ~87%. Being working capital intensive in nature, the company's reliance on working capital limits remained high. However, unutilised working capital limits and proposal to enhance the working capital limits by ₹20 crore expected to provide sufficient cushion to meet working capital requirements, in case of short-term exigencies and the company's current ratio stood comfortable at 1.26x in FY25.

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

FSFPL was incorporated on October 17, 2011, as a Private Limited Company, initially started Shrimp-Hatchery, there after it has also been manufacturing "Shrimp-Feed" successfully since 2015. The company entered global market for further expansion and started new processing unit for processing and exporting shrimp from July 2021 onwards. The shrimp hatchery has a production capacity of over 100 million seedlings. The feed manufacturing unit in Nellore with an annual production capacity of 58,000 tonne. Shrimp processing unit has annual production capacity of 13,000 tonne.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	451.08	703.37	585.60
PBILDT*	32.79	48.25	45.43
Profit after tax (PAT)	11.94	21.97	21.52
Overall gearing (x)	1.08	1.06	1.03
Interest coverage (x)	3.26	3.64	4.16

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: ICRA has placed the rating for bank facilities of Fedora Sea Foods Private Limited under ICRA B+; Stable; Issuer Not Cooperating vide PR dated February 26, 2026, due to absence of adequate information from the company.

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-Cash Credit		-	-	-	40.00	CARE BBB; Positive
Fund-based - LT-Term Loan		-	-	September 07, 2026	14.07	CARE BBB; Positive
Fund-based - LT/ ST-EPC/PSC		-	-	-	130.00	CARE BBB; Positive / CARE A3

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-Cash Credit	LT	40.00	CARE BBB; Positive	-	1)CARE BBB; Stable (25-Feb-25)	-	-
2	Fund-based - LT/ ST-EPC/PSC	LT/ST	130.00	CARE BBB; Positive / CARE A3	-	1)CARE BBB; Stable / CARE A3 (25-Feb-25)	-	-
3	Fund-based - LT-Term Loan	LT	14.07	CARE BBB; Positive	-	1)CARE BBB; Stable (25-Feb-25)	-	-

LT: Long 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 - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Fund-based - LT/ ST-EPC/PSC	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Note on complexity levels of rated instruments: CareEdge 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.

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About us:
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