

September 23, 2025

Accelerated Freeze Drying Company Limited: Ratings placed on Watch with Negative Implications

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Short term – Non-fund-based Limits – Working Capital Facilities	Rs. 1.90 crore	Rs. 1.90 crore	[ICRA]A3; placed on Rating Watch with Negative Implications
Long term/ Short term – Fund-based Limits – Working Capital Facilities	Rs. 100.50 crore + USD 4.50 million	Rs. 100.50 crore + USD 4.50 million	[ICRA]BBB-; placed on Rating Watch with Negative Implications/ [ICRA]A3; placed on Rating Watch with Negative Implications
Total	Rs. 102.40 crore + USD 4.50 million	Rs. 102.40 crore + USD 4.50 million	

*Instrument details are provided in Annexure I

Rationale

ICRA has placed the ratings of [ICRA]BBB- and [ICRA]A3 outstanding on the bank facilities of Accelerated Freeze Drying Company Limited (AFDC) on Watch with Negative Implications, given the expected negative impact of the elevated US tariffs on its business and thus the credit profile.

Like other Indian seafood exporters, AFDC derives a major portion of its revenues from the US market. Indian exporters have been navigating a turbulent trade environment, with the recent tariff hikes by the US threatening to reshape the long-standing business dynamics. The latest round of US tariffs, effective August 27, 2025, has added a punitive 25% duty on select Indian goods, pushing the effective tariff burden (including countervailing duty and anti-dumping duty) to around 55% on shrimps exported to the US when combined with pre-existing levies. This escalation places Indian exporters at a disadvantage compared to competitors in Ecuador, Vietnam, Indonesia and Thailand, which face lower tariff rates.

According to the management, AFDC has been actively negotiating with its clients to pass on the increased tariff costs, and almost all the buyers have assured that the reciprocal tariffs will be reimbursed by them. The company is also recalibrating its supply chain to minimise the impact. The company is exploring new geographies as well as increasing its focus on the non-US regions to offset the potential demand contraction from the US. ICRA draws comfort from the company's adequate liquidity position, supported by around Rs. 17 crore of cash and bank balance and around Rs. 5 crore of undrawn working capital facilities as on September 30, 2024 against moderate debt repayment obligations of Rs. 5-6 crore in FY2026.

ICRA will continue to monitor the evolving trade situation and AFDC's ability to adapt its business model to the punitive tariff regime and its implications on its credit profile.

Please refer to the following link for the previous detailed rationale that captures Key rating drivers and their description, Liquidity position, Key financial indicators and Rating sensitivities: [Click here](#)

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of the company

About the company

Incorporated in 1986 in Kochi, Kerala, AFDC is promoted by Amalgam Foods Limited, Kochi (a 52% shareholding) in collaboration with Nissin Foods, Hong Kong (a 27% shareholding) and Nissin Foods, Singapore (a 21% shareholding). AFDC mainly used to process and export freeze-dried seafood, spices, vegetables and fruits till FY2021 and commenced production of frozen seafoods products on a large scale from FY2022. The company has two plants mainly for manufacturing of freeze-dried products in Kochi and Bangalore and commissioned the new plant for frozen food items in Kochi in November 2021. The existing Kochi plant, with a capacity of 770 metric tonnes per annum (MTPA), mainly processes seafood and partly pepper, whereas the Bangalore plant, with a capacity of 390 MTPA, processes herbs, spices, vegetables and fruits. The new frozen seafood facility, with a production capacity of 12,320 MTPA, processes primarily shrimps, squids etc.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Current rating (FY2026)				Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Sep 23, 2025	Date	Rating	Date	Rating	Date	Rating
Term Loans	Long term	-	-	-	-	Dec 29, 2023	[ICRA]BBB-(Stable)	Sep 29, 2022	[ICRA]BBB-(Stable)
Fund-based working capital facilities	Short term	-	-	-	-	Dec 29, 2023	[ICRA]A3	Sep 29, 2022	[ICRA]A3
Non-fund-based working capital facilities	Short term	Rs. 1.90 crore	[ICRA]A3; rating watch with negative implications	Feb 5, 2025	[ICRA]A3	Dec 29, 2023	[ICRA]A3	Sep 29, 2022	[ICRA]A3
Fund-based working capital facilities	Long term/ short term	Rs. 100.50 crore + USD 4.50 million	[ICRA]BBB-/ [ICRA]A3; rating watch with negative implications	Feb 5, 2025	[ICRA]BBB-(Positive)/ [ICRA]A3	-	-	-	-
Unallocated limits	Long term	-	-	-	-	Dec 29, 2023	[ICRA]BBB-(Stable)	Sep 29, 2022	[ICRA]BBB-(Stable)

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term/ Short term – Fund-based working capital	Simple
Short term – Non-fund-based working capital	Very Simple

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

Annexure I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated	Current rating and outlook
NA	Fund-based working capital facilities 1	-	-	-	Rs. 51.50 crore	[ICRA]BBB-/ [ICRA]A3; Rating Watch with Negative Implications
NA	Fund-based working capital facilities 2	-	-	-	Rs. 49.00 crore	[ICRA]BBB-/ [ICRA]A3; Rating Watch with Negative Implications
NA	Fund-based working capital facilities 3	-	-	-	USD 4.50 million	[ICRA]BBB-/ [ICRA]A3; Rating Watch with Negative Implications
NA	Non-fund-based working capital facilities	-	-	-	Rs. 1.90 crore	[ICRA]A3; Rating Watch with Negative Implications

Source: Accelerated Freeze Drying Company Limited

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis

Not applicable

ANALYST CONTACTS

Mr. Jitin Makkar

+91 124 4545 368

jitinm@icraindia.com

Ms. Kinjal Shah

+91 22 6114 3442

kinjal.shah@icraindia.com

Mr. Sujoy Saha

+91 33 6521 6805

sujoy.saha@icraindia.com

Mr. Sandipan Kumar Das

+91 33 6521 6807

sandipan.das@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar

+91 22 6114 3406

shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

HELPLINE FOR BUSINESS QUERIES

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

ABOUT ICRA LIMITED

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

Today, ICRA and its subsidiaries together form the ICRA Group of Companies (Group ICRA). ICRA is a Public Limited Company, with its shares listed on the Bombay Stock Exchange and the National Stock Exchange. The international Credit Rating Agency Moody's Investors Service is ICRA's largest shareholder.

For more information, visit www.icra.in

ICRA Limited



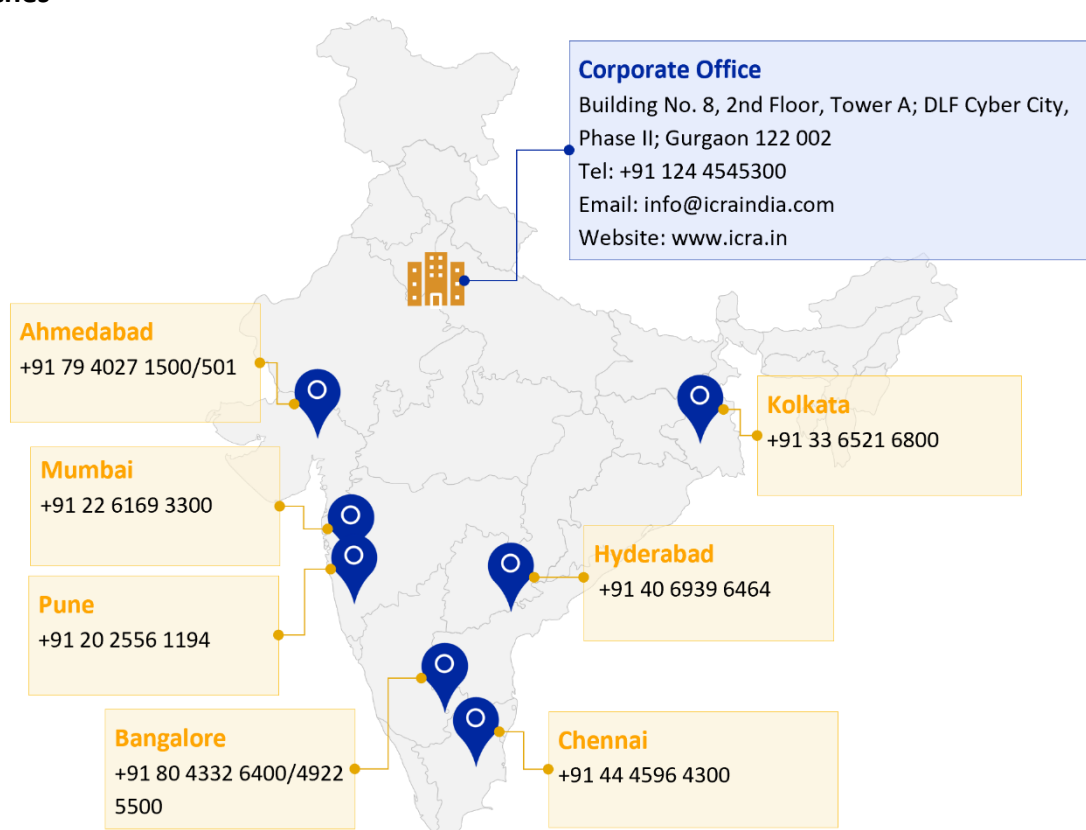
Registered Office

B-710, Statesman House, 148 Barakhamba Road, New Delhi-110001

Tel: +91 11 23357940-45



Branches



© Copyright, 2025 ICRA Limited. All Rights Reserved.

Contents may be used freely with due acknowledgement to ICRA.

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. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents.