

March 18, 2026

Uno Feeds: Rating reaffirmed

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action-
Long-term – Fund-based – Cash credit	11.00	11.00	[ICRA]BB+(Stable); Rating Reaffirmed
Long-term-Fund-based-Term loan	0.00	4.00	[ICRA]BB+(Stable); Rating Reaffirmed
Long-term – Unallocated limits	17.00	0.00	-
Total	28.00	15.00	

*Instrument details are provided in Annexure-I

Rationale

ICRA has taken a consolidated rating view of the credit profiles of Navkiran Techno Feeds (NTF) and Uno Feeds (UF) (together referred to as the Group) to arrive at the rating, considering the strong managerial and operational linkages among these entities.

The rating reaffirmation considers the steady improvement in the Group's operational and financial performance over the medium term, following the moderation of revenues in FY2025 on a year-on-year basis. The Group's revenue declined by 23.2% to Rs. 268.9 crore in FY2025 from Rs. 350.4 crore in FY2024 on account of muted demand from aqua farmers for its feed requirement, given the pricing pressure in key markets. Despite a contraction in revenues in FY2025, the operating profit margins (OPM) improved to 9.7% in FY2025 compared to 8.8% in FY2024, supported by the softening of key raw input prices. Going forward, the profitability margins are likely to be supported by operational synergy from backward integration in the solvent extraction division. The rating further derives comfort from the Group's adequate debt indicators, characterised by Total Debt/OPBDITA and interest coverage of 0.6 times and 4.9 times, respectively, as on March 31, 2025. The rating continues to consider the Group's established presence in the fish feed industry, resulting in a healthy relationship with its customers and suppliers. The Group has been selling fish feed under its established brand, UNO, leading to healthy demand for its products. Moreover, the location specific advantage of the Group, along with the plant's proximity to the major aquaculture belt of Andhra Pradesh, continues to provide significant comfort to its business.

The rating, however, is constrained by withdrawal of profits by the partners to an extent of Rs. 34.4 crore, which resulted in a reduction in the net worth. The rating is further constrained by the intense competition in the industry and the exposure of the Group's margins to volatile raw material prices (rice bran, soya and maize), due to its dependence on agro-climatic conditions, which account for a major part of its cost of production. The fish feed industry is highly fragmented with low entry barrier, which limits the Group's revenue and pricing power. ICRA notes that the Group's margins are also susceptible to volatility in realisations. The Group continues to remain exposed to the inherent risks in the seafood industry, including susceptibility to diseases, climate change risks and Government policies. The risks associated with the partnership nature of the business, including the risk of capital withdrawal, among others, also impact the rating.

The Stable outlook on the long-term rating reflects ICRA's expectations that the company is likely to sustain its earnings and coverage metrics with a gradual increase in demand. Further, the outlook underlines ICRA's expectation that the entity's incremental capex, if any, to further increase the capacity will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Extensive track record of the Group – The Group has extensive experience in the fish feed business, which enabled it to build strong customer and supplier bases. Moreover, it has been selling fish feed under the established brand, UNO, leading to a steady demand for its products.

Favourable location of manufacturing units – The Group's manufacturing units are in Bhimavaram, a major aquaculture belt of Andhra Pradesh, providing regular and easy access to raw materials at lower transportation costs.

Comfortable debt coverage indicators – Supported by steady earnings and low reliance on working capital borrowings, the key debt coverage indicators remained healthy with an interest coverage of 4.9 times and Total Debt/OPBDITA of 0.6 times as on March 31, 2025. Further, the Group's capital structure remained comfortable, characterised by Total Debt/TNW of 0.3 times as on March 31, 2025, supported by modest debt. Going forward, the debt coverage indicators are expected to remain comfortable; although the same are estimated to moderate from the levels in FY2025 amid planned debt funded capital expenditure.

Credit challenges

Highly fragmented industry due to low entry barriers limits revenue and profitability – The Group faces stiff competition from other unorganised players in the absence of entry barriers, which limits its revenue growth as well as its pricing flexibility and bargaining power with customers, putting pressure on its revenues and margins. The revenue in FY2025 fell by 23.2% on account of competitive prices of extruded fish feed compared to farm feed. Any change in price would impact sales volume and revenue of the Group in the future.

Inherent risks in seafood industry – The Group is exposed to agro-climatic risks, wherein natural calamities such as floods and cyclones during the culture season can have serious impact on the prospects of successful culture. Despite technical advancement, fish getting affected by viruses cannot be ruled out.

Exposure of the Group's profitability to changes in key raw material prices – The Group is exposed to the risk of fluctuations in the availability and prices of raw materials owing to its dependence on agricultural products. Besides, it does not enter any forward contract for purchasing raw materials from its suppliers.

Risks inherent in partnership firms – Given both the Group entities' constitution as partnership firms, the Group is exposed to specific risks like the possibility of capital withdrawal by the partners, as witnessed in the past few years, and the risk of dissolution. During FY2025 partners withdrew profits to an extent of Rs. 34.4 crore, which resulted in reduction in net worth position and sizable cash outflows. Any large cash outflow in the form of profit withdrawals would constrain its liquidity and will be monitorable.

Liquidity position: Adequate

The Group's liquidity position is expected to remain adequate, supported by steady cash flow from operations and adequate buffer available in working capital limits. The Group's average utilisation of working capital limits stood at 5.2% of its sanctioned limit of Rs. 26 crore during the last 12 months ending in February 2026. The Group has planned debt-funded capex of around Rs. 10 crore in FY2026, which is being funded through a term loan of Rs. 4 crore and the balance from unsecured loans from partners/internal accruals. The Group is expected to meet its repayment obligations comfortably through the internal cash generation from business. Any large cash outflow in the form of profit withdrawals would constrain its liquidity and will be monitorable.

Rating sensitivities

Positive factors – The rating could be upgraded if there is a significant increase in the Group’s earnings while maintaining comfortable liquidity position and debt protection metrics on a sustained basis.

Negative factors – Pressure on the rating could arise if there is a sharp decline in the Group’s revenue and earnings and/or any sizable capital withdrawal or large debt-funded capex leading to moderation in debt protection metrics and liquidity position on a sustained basis. Specific credit metrics that could lead to a rating downgrade include an interest cover below 2.5 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	NA
Consolidation/Standalone	For arriving at the rating, ICRA has considered the consolidated view of NTF and UF, given their common management and operational linkages

About the company

Established as a partnership firm in 2008, Uno Feeds manufactures floating fish feed through extrusion technology with an installed capacity of 96,000 MTPA. The firm’s manufacturing facility is located in Bhimavaram, West Godavari district of Andhra Pradesh. The day-to-day operations of the firm are looked after by the partner, Mr. K. Radha Krishna Murthy.

Key financial indicators (audited)

	Consolidated		Standalone (Navkiran)		Standalone (Uno)	
	FY2024	FY2025	FY2024	FY2025	FY2024	FY2025
Operating income	350.4	268.9	197.0	161.2	153.4	107.8
PAT	14.6	12.1	8.2	7.4	6.4	4.7
OPBDIT/OI	8.8%	9.7%	8.9%	9.7%	8.6%	9.6%
PAT/OI	4.2%	4.5%	4.2%	4.6%	4.2%	4.4%
Total outside liabilities/Tangible net worth (times)	0.5	0.6	1.0	1.2	0.1	0.1
Total debt/OPBDIT (times)	0.9	0.6	1.4	0.9	0.2	0.0
Interest coverage (times)	5.1	4.9	4.6	4.7	6.0	5.3

Source: Company, ICRA Research; All ratios as per ICRA’s calculations; Amount in Rs. Crore PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current rating (FY2026)				Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs crore)	Date	Rating	FY2025		FY2024		FY2023	
					Date	Rating	Date	Rating	Date	Rating
Fund-based - Cash credit	Long Term	11.00	Mar 18, 2026	[ICRA]BB+ (Stable)	Dec 31, 2024	[ICRA]BB+ (Stable)	Oct 23, 2023	[ICRA]BB+ (Stable)	Sep 05, 2022	[ICRA]BB+ (Stable)
Term Loans	Long-term	4.00	Mar 18, 2026	[ICRA]BB+ (Stable)	-	-	-	-	-	-
Unallocated limits	Long Term	-	-	-	Dec 31, 2024	[ICRA]BB+ (Stable)	Oct 23, 2023	[ICRA]BB+ (Stable)	Sep 05, 2022	[ICRA]BB+ (Stable)

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term – Fund- based – Cash credit	Simple
Long-term-Fund-based-Term loan	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 (Rs. crore)	Current Rating and Outlook
NA	Cash credit	NA	NA	NA	11.00	[ICRA]BB+(Stable)
NA	Term Loan	FY2026	NA	FY2034	4.00	[ICRA]BB+(Stable)

Source: Firm

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

Annexure II: List of entities considered for consolidated analysis

Company Name	Ownership	Consolidation Approach
Navkiran Techno Feeds	NA	Full Consolidation
Uno Feeds	Rated Entity	Full Consolidation

Source: Firm

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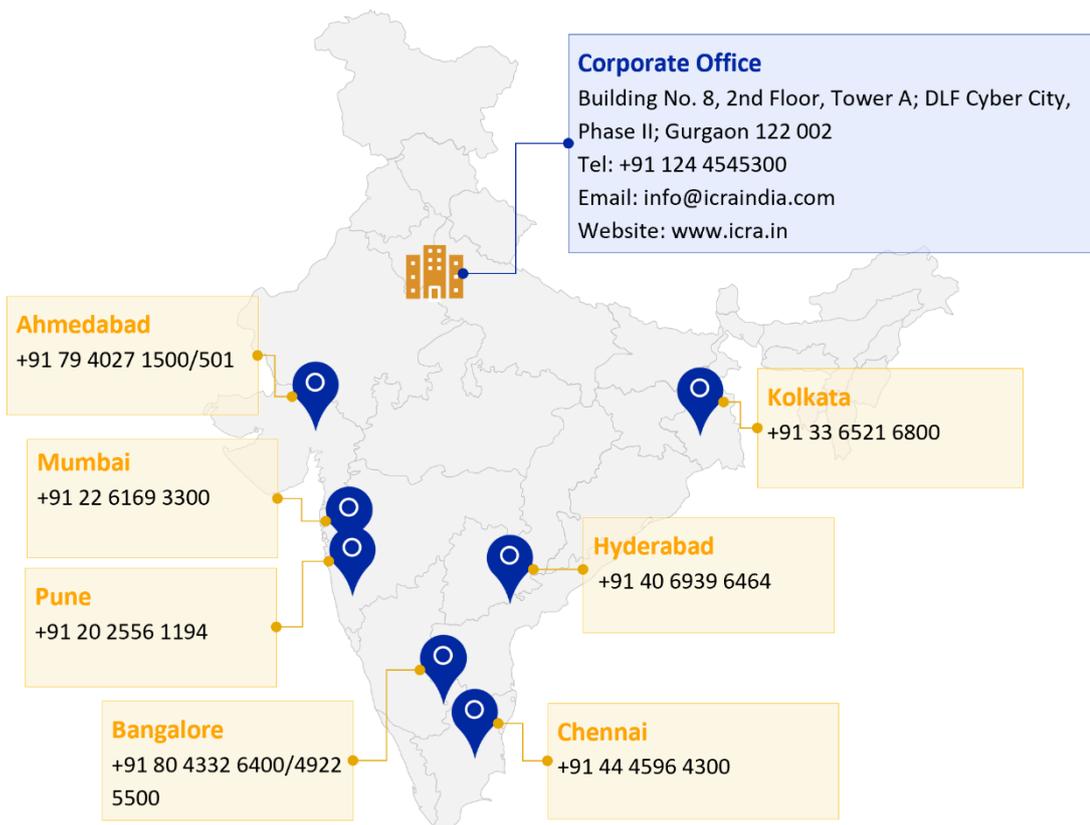
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