August 10, 2026

Aquatica Frozen Foods Global Private Limited: Ratings upgraded and assigned for enhanced amount

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Long-term – Export packing credit/ Foreign bill discounting/Standby line of credit	160.00	190.00	[ICRA]A+ (Stable); upgraded from [ICRA]A (Stable); assigned for enhanced amount	RBI
Short-term – Bank guarantee	2.00	2.00	[ICRA]A1+; upgraded from [ICRA]A1	RBI
Short-term – Forward contract limits	5.00	5.00	[ICRA]A1+; upgraded from [ICRA]A1	RBI
Short-term – Cash credit	0.00	2.00	[ICRA]A1+; assigned	RBI
Short-term – Interchangeable limits – WCDL	0.00	(2.00)	[ICRA]A1+; assigned	RBI
Short-term – Derivatives	0.00	2.00	[ICRA]A1+; assigned	RBI
Total	**167.00**	**201.00**		

**Instrument details are provided in Annexure I*

#SEBI's grievance redressal/dispute resolution and SEBI investor protection mechanisms such as SCORES and ODR shall not be available for activities and instruments which fall under the regulatory purview of Financial Sector Regulators other than SEBI.

Rationale

The ratings upgrade in the bank lines of Aquatica Frozen Foods Global Private Limited (AFFGPL) primarily considers the healthy improvement in the credit profile of its support provider, Sandhya Marines Limited {SML; rated [ICRA]AA- (Stable) / [ICRA]A1+} in FY2026 and the expectation of stable growth in its financial profile over the medium term. SML holds around 60% stake in AFFGPL, and collectively both are referred to as 'the group'.

The ratings are also supported by AFFGPL's stable credit profile, marked by moderate scale of operations, healthy margins and strong cash flows. The ratings also consider the group's established track record, the promoters' vast experience of over three decades in the seafood industry and long relationships with its clientele, leading to repeat orders. AFFGPL's operating income (OI) grew by 12% year over year (YoY) to Rs. 581.6 crore in FY2026, primarily supported by a sharp rise in shrimp realisations and its operating profit margins improved by around 430 basis points (bps) on a YoY basis to 15.7% in FY2026. The profile of the group (SML+AFFGPL) is characterised by a conservative capital structure, robust coverage indicators, healthy return on capital employed (RoCE) and a strong liquidity position. The ratings remain supported by the location-specific advantage enjoyed by AFFGPL as its processing facilities are in proximity to the major aquaculture belt of Andhra Pradesh, which fulfils 98% of its raw material requirements, leading to regular availability of raw materials at low landed costs.

The ratings, however, remain constrained by the company's elevated exposure to geographical and customer concentration risks. The company derives around 98% of its OI from the shrimp processing segment. Within the shrimp processing segment in FY2026, the entity derived more than 80% of its revenue from the U.S. market, with the top 3 customers in the segment contributing around 81% of its revenue. The company derives around 98% of its OI from the export market and remains exposed to foreign exchange (forex) risks. However, a portion of forex risk is mitigated by availing loan in foreign currency and the group hedging around 30% of its export receivables through forward contracts. Akin to other shrimp exporters, the company also remains susceptible to any significant reduction in incentives by the Government of India (GoI) or adverse changes in the foreign trade policies of the importing nations, which may affect the business profiles of all domestic players in the shrimp processing industry. The ratings also continue to be constrained by the fragmented nature of the industry and the inherent risks, such as disease outbreaks and climate changes, which affect the quality of shrimp farmed.

The Stable outlook on the long-term rating reflects ICRA's anticipation that AFFGPL is likely to sustain an improvement in revenues and operating metrics. Further, the outlook underlines ICRA's expectation that the entity's incremental capital expenditure (capex) will be funded in a manner that it is able to durably maintain its debt protection metrics commensurate with the existing ratings.

Key rating drivers and their description

Credit strengths

Strong parentage – Incorporated in 2014, AFFGPL is a 59.92% subsidiary of SML and continues to benefit from the parent's established market position. Set up in 1987, SML has been involved in the seafood business for more than three decades. The promoters have extensive experience in the industry, which helped SML build long relationship with customers, leading to repeat orders.

Strong financial risk profile – AFFGPL's OI grew by around 12% in FY2026 on a YoY basis to Rs. 581.6 crore, supported by an increase in shrimp realisation. The operating margins improved by 428 bps on a YoY basis to 15.7% in FY2026. AFFGPL's capital structure remains strong, as reflected by a gearing of 0.3 times as on March 31, 2026, supported by cash and liquid investments of Rs. 192.7 crore as on March 31, 2026 and a healthy net worth base. AFFGPL's debt coverage metrics continue to be robust, as reflected by an interest coverage of 21.7 times in FY2026. The RoCE also stood at a comfortable level of 30.2% in FY2026. ICRA expects the company's capitalisation metrics, debt coverage metrics and liquidity profile to remain strong over the medium term.

Location-specific advantages – AFFGPL enjoys location-specific advantages as its processing facility is in proximity to Andhra Pradesh's major aquaculture belt, ensuring continuous availability of raw materials at low landed costs. Andhra Pradesh contributes around 98% to the raw material requirements.

Credit challenges

Exposed to high geographical and customer concentration risks – AFFGPL remains exposed to high geographical concentration risk as it derived around 85% of its OI from the US market in FY2026. Such elevated geographical concentration exposes the company to adverse regulatory changes in the region. Besides, the top three customers contributed around 81% to AFFGPL's OI in FY2026, indicating high customer concentration. However, the counterparty credit risk for the entity remains low owing to its reputed client base.

Vulnerable to adverse changes in export incentives, international trade policies and forex risks – AFFGPL derived around 98% of its OI in FY2026 from the export market. Therefore, its operating profitability is supported by export incentives received from the Government of India (GoI). Any significant reduction in the incentive by the GoI or adverse changes in the foreign trade policies of the importing nations (including imposition of additional duties like countervailing duty, reciprocal tariff, etc.) may affect AFFGPL's business profile. It remains exposed to forex risks, which the company has not mitigated by way of hedging due to advantage of rupee depreciation.

Fragmented nature of the industry and exposure to inherent industry risks – Indian shrimp exporters face stiff competition from countries such as Ecuador, Indonesia and Vietnam in the export markets. Further, low entry barriers expose them to competition from other organised and unorganised players in the domestic market. Such intense competition limits AFFGPL's bargaining power and pricing flexibility, exerting pressure on its margins. Moreover, AFFGPL's revenues and profit margins are also susceptible to volatility in shrimp realisations and raw shrimp prices, which in turn are driven by the demand-supply scenario. Any adverse agro-climatic condition and natural calamities during the aquaculture season may have a serious impact on the production of shrimps. Despite technical advancement, virus contamination in shrimps remains a risk.

Liquidity position: Strong

The company's liquidity is likely to remain Strong, supported by expected healthy cash accruals, free cash and liquid investment of Rs. 192.7 crore and a cushion in its working capital limits of Rs. 89.6 crore as on March 31, 2026. The average working capital utilisation over the last 12 months ending in April 2026 stood at around 43% of the company's standalone sanctioned limit of Rs. 160.0 crore. Against these sources of cash, the entity is likely to incur capex of around Rs. 10 crore and has no repayment obligations in FY2027 and FY2028.

Rating sensitivities

Positive factors – ICRA could upgrade the company's ratings if there is a sustained improvement in the scale of business by way of improvement in value-added products, coverage metrics and liquidity position.

Negative factors – Pressure on the ratings could arise if there is a deterioration in the credit profile of its parent, SML, and/or weakening of linkages with the same. A significant decline in the standalone earnings and liquidity profile could also affect the ratings. Specific credit metrics that could cause a ratings downgrade include Total Debt/OPBDITA of more than 1.8 times on a sustained basis.

Analytical approach

Analytical approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Implicit support from parent, Sandhya Marines Limited ([ICRA]AA- (Stable)/ [ICRA]A1+)
Consolidation/Standalone	Ratings based on standalone financials of the company.

About the company

Aquatica Frozen Foods Global Private Limited (Aquatica/AFFGPL), incorporated in 2014, is engaged in the processing and exporting of shrimp. The company is a 59.92% subsidiary of SML {rated [ICRA]AA- (Stable)/[ICRA]A1+} which is promoted by Dr. K. Venkateshwara Prasad, the Managing Director of both the companies and oversees the day-to-day activities. Both the companies share a common management.

AFFGPL predominantly exports Vannamei variety shrimp, which contributes to 98-99% of the OI. It has one shrimp processing unit in Chirala, Andhra Pradesh with an overall capacity of processing 18,615 MT of shrimp per annum.

Sandhya Marines Limited (Parent company)

Incorporated in July 1987, SML is promoted by Dr.K. Venkateshwara Prasad who has been involved in the shrimp processing industry for the past 30 years. SML is involved in the export of shrimps and manufacturing of shrimp feed. The company ventured into the feed segment in FY2019 and has scaled up the revenues from this division substantially over the last few years. SML holds 59.9% shares in AFFGPL.

Key financial indicators (audited)

AFFGPL (standalone)	FY2025	FY2026*
Operating income (OI)	519.7	581.6
PAT	48.1	71.6
OPBDITA/OI	11.4%	15.7%
PAT/OI	9.3%	12.3%
Total outside liabilities/Tangible net worth (times)	0.5	0.4
Total debt/OPBDITA (times)	1.4	0.8
Interest coverage (times)	12.5	21.7

*Source: Company, ICRA Research; *Provisional numbers; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: Profit after tax; OPBDITA: 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 (FY2027)			Chronology of rating history for the past 3 years					
	FY2027			FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Aug 10, 2026	Date	Rating	Date	Rating	Date	Rating
Export packing credit/ Foreign bill discounting/Standby line of credit	Long term	190.00	[ICRA]A+ (Stable)	Aug 18, 2025	[ICRA]A (Stable)	May 24, 2024	[ICRA]A (Stable)	-	-
Bank guarantee	Short term	2.00	[ICRA]A1+	Aug 18, 2025	[ICRA]A1	May 24, 2024	[ICRA]A1	-	-
Forward contract limits	Short term	5.00	[ICRA]A1+	Aug 18, 2025	[ICRA]A1	May 24, 2024	[ICRA]A1	-	-
Cash credit	Short term	2.00	[ICRA]A1+	-	-	-	-	-	-
Interchangeable limits – WCDL	Short term	(2.00)	[ICRA]A1+	-	-	-	-	-	-
Derivatives	Short term	2.00	[ICRA]A1+	-	-	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Export packing credit/ Foreign bill discounting/Standby line of credit	Simple
Bank guarantee	Simple
Forward contract limits	Simple
Cash credit	Simple
Interchangeable limits – WCDL	Simple
Derivatives	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	Financial Sector Regulator#
NA	**Export packing credit/ Foreign bill discounting/ Standby line of credit**	NA	NA	NA	190.00	[ICRA]A+ (Stable)	RBI
NA	**Bank guarantee**	NA	NA	NA	2.00	[ICRA]A1+	RBI
NA	**Forward contract limits**	NA	NA	NA	5.00	[ICRA]A1+	RBI
NA	**Cash credit**	NA	NA	NA	2.00	[ICRA]A1+	RBI
NA	**Interchange able limits – WCDL**	NA	NA	NA	(2.00)	[ICRA]A1+	RBI
NA	**Derivatives**	NA	NA	NA	2.00	[ICRA]A1+	RBI

Source: Company

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Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis – Not applicable

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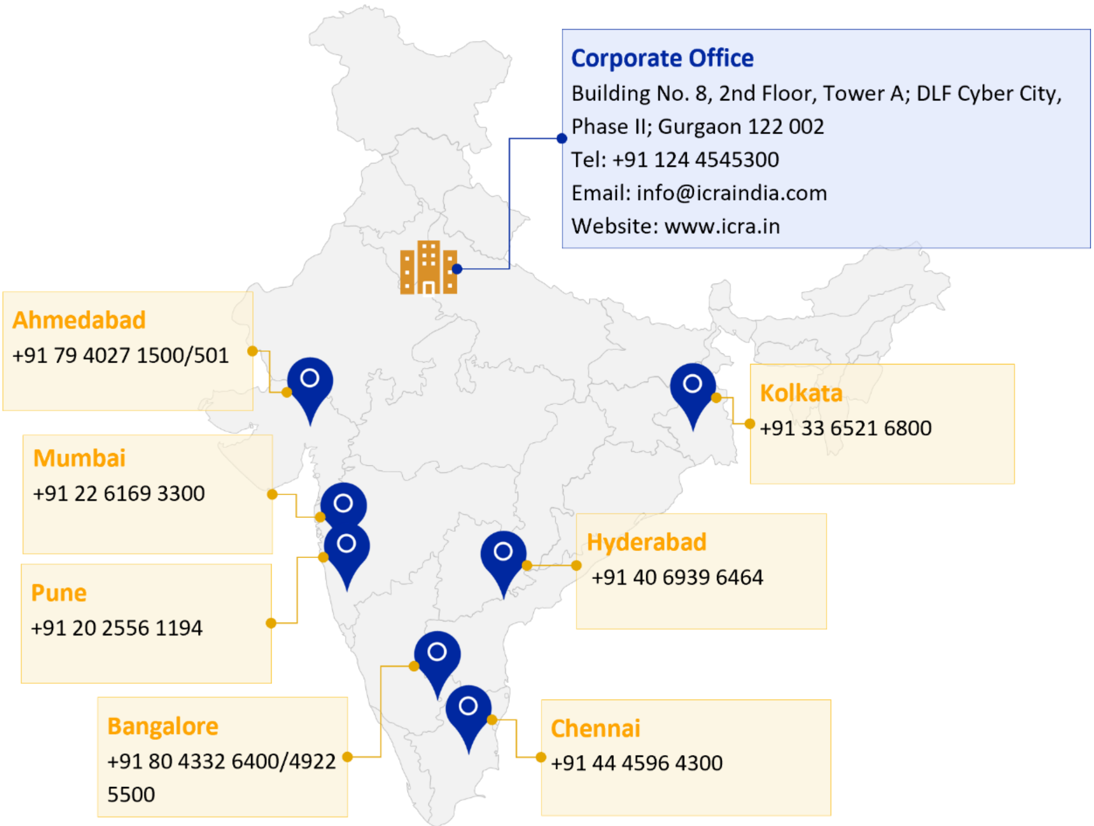

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