July 08, 2026

Rudra Techno Feeds: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long Term - Fund Based- Term Loan	1.50	1.50	[ICRA]BB-(Stable); reaffirmed
Long Term - Fund Based- Cash Credit	15.00	15.00	[ICRA]BB-(Stable); reaffirmed
Total	**16.50**	**16.50**	

**Instrument details are provided in Annexure II*

Rationale

The rating reaffirmation for the bank lines of Rudra Techno Feeds (RTF) considers its improved performance in FY2026 (provisional) and the modest expected improvement over the medium term. RTF's revenues grew by 54.7% year on year (YoY) (albeit on a low base) to Rs. 101.8 crore, driven by improved demand from aqua farmers, while the operating profit margin (OPM) moderated to 4.7% in FY2026 (provisional) from 6.8% in FY2025 on account of increased raw material prices. The rating further considers the partners' long experience in the aqua-feed business, along with the established relationships of the entity with its clientele and suppliers. The rating also derives comfort from RTF's conservative capital structure and moderate debt indicators, characterised by a gearing of 0.2 times as on March 31, 2026, against 0.3 times as on March 31, 2025, and interest coverage and total debt/OPBIDTA of 2.8 times and 2.2 times, respectively, in FY2026. While the coverage indicators are expected to moderate in the near term due to the proposed debt-funded capex towards a solar power unit and a warehouse, they are likely to improve over the medium term, driven by the expected savings in power costs. The rating also considers the location-specific advantages arising from the proximity of RTF's facilities to the major aquaculture belt of Andhra Pradesh, where most of its customers are located.

The rating, however, remains constrained by the highly fragmented nature of the aqua-feed industry, with low entry barriers, which exposes RTF to intense competition and keeps its margins under check. Further, the rating remains impacted by the inherent risks in the aquaculture industry, including susceptibility to diseases, climate change risks and Government policies, which may hamper the demand prospects for RTF's products. ICRA notes that the entity's margins are also susceptible to volatility in realisations and raw material prices due to its dependence on agro-climatic conditions. The rating is further constrained by customer concentration risks and the significant increase in working capital intensity, characterised by elevated inventory levels. Additionally, RTF remains exposed to the risk of capital withdrawal by the partners, as it is a partnership firm.

The Stable outlook on the long-term rating reflects ICRA's expectation that the company is likely to improve its earnings and coverage metrics. Further, the outlook underlines ICRA's expectation that the entity's incremental capex will be funded in a manner that enables it to maintain its debt protection metrics commensurate with the existing rating.

Key rating drivers and their description

Credit strengths

Extensive experience of the partners and favourable location of the manufacturing facilities – The partners of RTF have extensive experience in the aqua-feed business, which has enabled the entity to build a strong customer base and supplier network, ensuring repeat orders and the availability of raw materials without any major interruption. Further, its manufacturing facility is in West Godavari district, a major aquaculture belt in Andhra Pradesh, where most of RTF's customers are based. This favourably impacts the firm's profit margins, as freight costs are generally low.

Conservative capital structure – The firm's capital structure has remained conservative over the years owing to a steady accretion to reserves. The gearing and TOL/TNW stood at 0.2 times and 0.7 times, respectively, as on March 31, 2026. While the coverage indicators are expected to moderate in the near term due to the proposed debt-funded capex towards a solar power unit and a warehouse, they are likely to improve over the medium term, driven by the expected savings in power costs.

Credit challenges

Susceptibility of margins to volatility in raw material prices – The firm's margins are exposed to fluctuations in raw material prices due to its dependence on agro-climatic conditions. Additionally, volatility in realisations, which is mainly driven by demand conditions, keeps the margins vulnerable, as witnessed in the past.

Elongated working capital cycle and moderate customer concentration risks – RTF's working capital intensity stood moderately high at 24.2% in FY2026, owing to higher raw material stocking by the entity, exposing its margins to volatility in key input prices. Further, the firm remains exposed to significant geographical concentration risk, as it derives the major portion of its revenues from Andhra Pradesh. Additionally, the top 10 customers contributed around 50% of its sales in FY2026, exposing RTF to customer concentration risk.

Highly fragmented nature of the industry and inherent risks in aqua-feed industry – The firm faces stiff competition from several organised and unorganised players in the industry due to low entry barriers, which limit its pricing flexibility. This, along with its low bargaining power against established customers, keeps margins under check. Further, aquaculture activity is dependent on climatic conditions, which are unpredictable. Natural calamities such as floods/cyclones during the culture season can have a serious impact on the prospects of successful culture. Despite technical advancements, disease outbreaks cannot be ruled out. These factors can hamper the demand prospects for RTF's products.

Risks associated with the entity's legal status as a partnership firm – The partnership constitution of RTF exposes it to the risk of capital withdrawal by the partners, which can have an adverse impact on its net worth base, capital structure, debt coverage metrics and liquidity profile.

Liquidity position: Stretched

RTF's liquidity is likely to remain stretched owing to lower earnings and the working capital requirements of the business. The average utilisation of the fund-based working capital limits stood at around 36% during the 12-month period ended April 2026. RTF is anticipated to generate cash accruals of Rs. 2.5-3.5 crore in FY2027, against which it has repayment obligations of Rs. 0.5 crore in FY2027, which are expected to be serviced through internal accruals. The entity has capex plans of around Rs. 10 crore in FY2027 towards a solar power plant and a warehouse, which are proposed to be funded through 75% term debt and the balance through internal accruals.

Rating sensitivities

Positive factors – ICRA could upgrade RTF's rating if there is sustained growth in revenues and earnings, leading to an improvement in its debt coverage indicators and liquidity position.

Negative factors – Pressure on RTF's rating could arise if there is a significant decline in earnings or higher-than-anticipated debt-funded capex, adversely impacting its liquidity position and coverage indicators. Specific metrics that could lead to a rating downgrade include a DSCR of less than 1.1 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology
Parent/Group support	Not applicable
Consolidation/Standalone	The rating is based on the standalone financials of RTF.

About the company

Incorporated in 2009, Rudra Techno Feeds (RTF) is a partnership firm that manufactures floating fish feed and polyculture feed. The firm's facilities are located in West Godavari district, Andhra Pradesh. It has an installed capacity of 25 MTPH for floating fish feed and 4 MTPH for polyculture feed. Floating fish feed continues to be the major revenue source (around 91% in FY2025). The firm is managed by Mr. R Sridhar Varma and Mr. R Krishna Varma.

Key financial indicators (audited)

RTF	FY2025	FY2026*
Operating income	65.8	101.8
PAT	0.4	0.9
OPBDIT/OI	6.8%	4.7%
PAT/OI	0.6%	0.8%
Total outside liabilities/Tangible net worth (times)	0.5	0.7
Total debt/OPBDIT (times)	3.3	2.2
Interest coverage (times)	2.3	2.8

*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; * Provisional numbers*

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

Instrument	Current ratings (FY2027)				Chronology of rating history for the past 3 years					
	Type	Amount rated (Rs. crore)	FY2027		FY2026		FY2025		FY2024	
			Date	Rating	Date	Rating	Date	Rating	Date	Rating
Term Loan	Long term	1.50	July 08, 2026	[ICRA]BB- (Stable)	May 26, 2025	[ICRA]BB- (Stable)	-	-	Feb 12, 2024	[ICRA]BB- (Stable)
Cash Credit	Long term	15.00	July 08, 2026	[ICRA]BB- (Stable)	May 26, 2025	[ICRA]BB- (Stable)	-	-	Feb 12, 2024	[ICRA]BB- (Stable)

Annexure I: Disclosure pursuant to the SEBI Circular SEBI/HO/DDHS/DDHS-PoD-2/I/4685/2026 dated February 10,2026

ICRA-rated instruments fall under the regulatory purview of various Financial Sector Regulators (FSRs), as under:

Sr. No.	Instrument	FSR
1	Listed/Proposed to be listed Bonds/Debentures/Preference Shares (all securities)	SEBI
2	Unlisted/Proposed to be unlisted Bonds/Debentures/ Preference share (all securities)	MCA
3	Listed PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	SEBI
4	Listed PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	SEBI
5	Unlisted PTCs / Securitisation Notes (originated by entities regulated by RBI) (*)	RBI
6	Listed Commercial Paper and NCDs with original maturity less than 1 year	RBI
7	Unlisted Commercial Paper and NCDs with original maturity less than 1 year	RBI
8	Loan Facilities (Fund/Non-Fund Based) from Bank / NBFCs/ NHB/ FIs ($)	RBI
9	External Commercial Borrowings/Loans from overseas branches of Indian Banks/other similar borrowings	RBI
10	Certificates of Deposit	RBI
11	Fixed Deposits raised by NBFCs, Banks, HFCs, Fis	RBI
12	Fixed Deposits raised by corporates other than NBFCs, Banks, HFCs, FIs	MCA
13	Inter Corporate Deposits/Loans extended by Corporates	MCA
14	Listed Security Receipts	SEBI
15	Unlisted Security Receipts	RBI
16	Unlisted PTCs / Securitisation Notes (originated by entities not regulated by RBI) (*)	Investor-side Regulator such as IRDAI, PFRDA (%)

(*) *Includes securitisation transactions involving assignee payout, acquirer's payout.*

($) *Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.*

(%) *These ratings were assigned prior to the introduction of SEBI CRA Circular dated Feb 10, 2026 and accordingly, investor side FSRs have been mentioned.*

Other activities offered by ICRA fall under the regulatory purview of various FSRs, as under:

Sr. No.	Activity Name	FSR
1	Credit Ratings for Capital Protection Oriented Schemes (by Mutal Funds and AIFs)	SEBI
2	Credit quality ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
3	Independent Credit Evaluation (ICE)	RBI
4	Expected Loss Ratings (For Loan Facilities [Fund/Non-Fund based] from Banks/NBFCs/NHB/FIs)	RBI

5	Expected Loss Ratings (Listed / Proposed to be listed Bonds / Debentures / Preference Shares (all securities))	SEBI
6	Expected Loss Ratings (Unlisted / Proposed to be unlisted Bonds/ Debentures / Preference Shares (all securities))	MCA
7	Credit Rating of Borrowing programme	(@)
8	Issuer Ratings	(#)
9	Monitoring Agency	SEBI
10	Research activities, incidental to rating such as research for Economy & Industries (permitted by SEBI vide SEBI Master Circular for CRAs)	NA

(@) The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument can only be determined upon issuance. Accordingly, ICRA shall capture the rated quantum details along with names of respective FSR in the press release(s) after the issuance(s) of the instruments.

(#) Since no instrument is being rated, FSR is not applicable. The rating scale and definitions stipulated in SEBI Master Circular for CRAs are being followed.

Disclosure: 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 FSRs other than SEBI.

Complexity level of the rated instruments

Instrument	Complexity indicator
Long term - Fund-based – Term loan	Simple
Long term - Fund based - Cash credit	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 II: Instrument details

ISIN	Instrument Name	Date of Issuance	Coupon Rate	Maturity	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	**Term Loans**	FY2021-FY2024	NA	FY2027-FY2028	1.50	[ICRA]BB- (Stable)
NA	**Cash Credit**	NA	NA	NA	15.00	[ICRA]BB- (Stable)

Source: Company

Annexure III: List of entities considered for consolidated analysis - Not applicable

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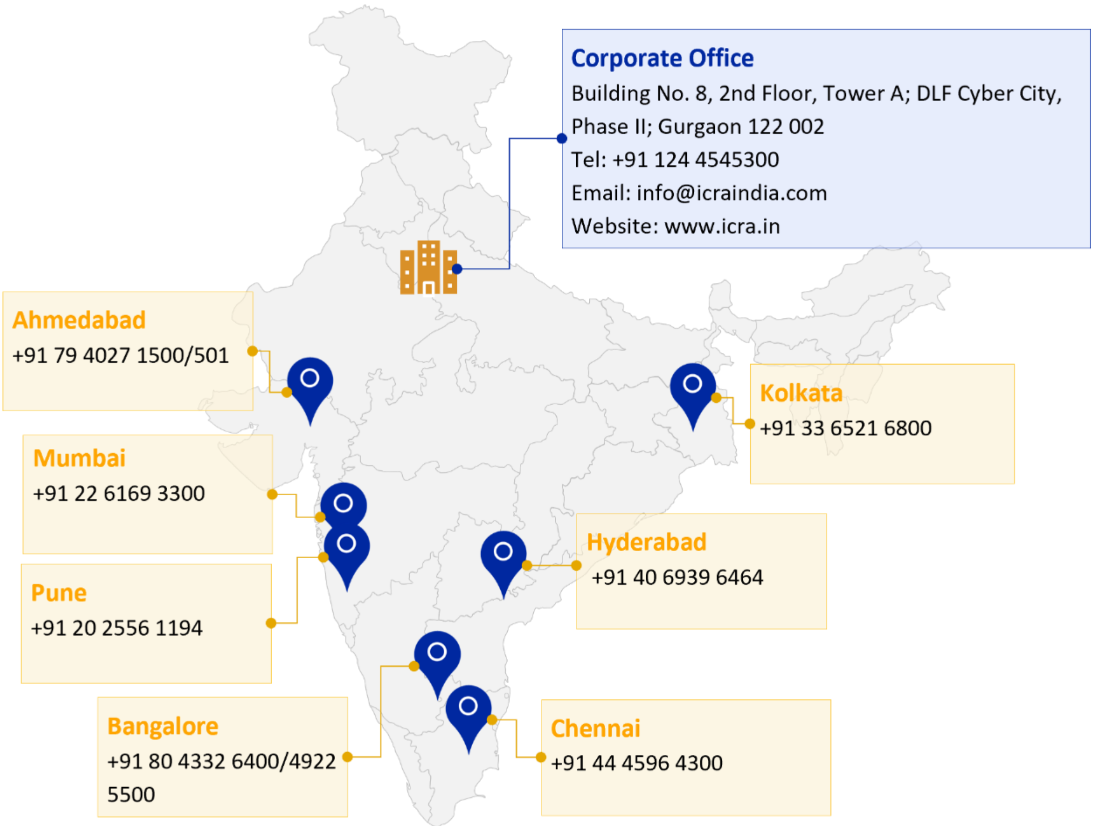

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