August 7, 2026

Sanchita Marine Products Pvt. Ltd.: Rating reaffirmed

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action	Financial Sector Regulator#
Short term – Fund-based – Packing credit	35.00	35.00	[ICRA] A4+; reaffirmed	RBI
Short term – Fund based – Post shipment credit	20.00	20.00	[ICRA] A4+; reaffirmed	RBI
Total	**55.00**	**55.00**		

**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

ICRA has taken a consolidated rating view of Sanchita Marine Products Pvt. Ltd. (SMPPL) and Sanchita Frozen Foods Pvt. Ltd. (SFFPL), referred to as the Sanchita Group/the Group. For arriving at its consolidated rating, ICRA takes into consideration the common management and the close financial and operational linkages between the two companies.

The rating reaffirmation factors in the expectation of stable operational and financial performance of the Group over the near-to-medium term on account of the steady demand for seafood products from the export market. Its revenues grew by 16.6% in FY2026 (provisional) on a year-over-year (YoY) basis to reach Rs. 213.8 crore, supported by steady demand, geographical expansion and customer additions. However, the operating profit margins (OPM) moderated to around 6% in FY2026 from 6.5% in FY2025 on account of increased shrimp and fish procurement price in the domestic market. Going forward, the Group is expected to maintain its focus on relatively high-margin orders, which is likely to provide stability to its earnings. The rating continues to factor in the extensive experience of the promoters in the seafood industry, and the proximity of its processing facilities to major aquaculture belts, which reduces the lead time and ease of raw material sourcing. The rating also draws comfort from its geographically diversified clientele.

The rating, however, remains constrained by the Group's limited pricing flexibility arising from intense competition in the highly fragmented seafood industry, with minimal product differentiation, resulting in low operating margins. The rating is further constrained by the inherent risks associated with the seafood industry such as disease outbreaks, climate change, vulnerability to regulations proposed by importing nations, export regulations by the Indian government and susceptibility of earnings to volatility in raw material prices and fluctuating exchange rates. Further, the rating remains constrained by the Group's working capital-intensive nature of operations, which entails dependence on working capital borrowings, causing increased reliance on borrowings. Moreover, its debt protection metrics continued to be moderate, as reflected by Total Debt/OPBDITA of 4.6 times and an interest coverage of 2.1 times in FY2026. Going forward, the Group's ability to generate steady accruals and improve its overall credit profile will remain critical.

Key rating drivers and their description

Credit strengths

Extensive experience of promoters in seafood industry – The Group's seafood division was established in 1991, and it currently operates with a freezing capacity of 162.5 metric tonnes per day (MTPD). It also owns and operates cold storage facilities, with an installed capacity of 2,250 metric tonnes per annum (MTPA) for the storage of the processed seafood. The promoters' experience and a strong management team with over three decades of experience have aided the Group in establishing a robust customer base.

Proximity to major consumption centres and raw material sources – The Group's processing facility is in Panvel, Raigad district, Maharashtra. Fish and shrimp required for processing are easily available at Colaba and Kasara, in proximity to its factory. Besides, the Group procures shrimp and fish from Andhra Pradesh, Gujarat and other neighbouring areas, ensuring easy availability and logistical convenience.

Geographical diversification and established relationships with key customers – In terms of geographical presence, the Group remains an export-oriented unit with the majority of its revenue generated from Spain, Belgium and China, among other countries. The promoters' established presence in the seafood industry is leveraged to maintain healthy relationships with key customers and add new customers.

Credit challenges

Low profit margins, and moderate debt coverage indicators – The Group's OPM remained low at 4-6% due to the low value-additive nature of the business despite an improvement in FY2025 (6.5%). Additionally, revenues and profitability are susceptible to the availability and prices of quality raw materials, which witnessed volatility in recent times. The Group's coverage indicators are also moderate, with an interest coverage ratio of 2.1 times and Total Debt/OPBDITA of 4.9 times in FY2026. Given the low-margin nature of the business, the debt protection metrics are expected to remain at moderate levels in the medium term.

Fragmented industry structure with intense competition – The Indian seafood export industry is highly fragmented with a few large players and several small processors. Indian exporters face competition from countries like Ecuador, Indonesia, Thailand and Vietnam, which are major producers of Vannamei shrimp. The Group also encounters intense competition in the domestic market, which would keep pricing power and profitability under check.

Aquaculture production vulnerable to climatic conditions, disease outbreaks and exchange rate fluctuations – The risk of extreme climatic conditions and disease outbreaks are inherent in shrimp farming. Extreme climatic conditions could result in adverse farming conditions, affecting the mortality rate and the quality of farmed shrimp. However, better farm management practices, such as a lower number of production cycles with sufficient time gaps and low stocking density, aid in limiting production loss. Further, given the export-oriented nature of the operations, around 60% of exports are hedged through forward contracts while remaining receivables are exposed to risks from foreign exchange rate fluctuations.

Liquidity position: Adequate

The Group's liquidity position is expected to remain Adequate, supported by adequate buffer available in its working capital limit and limited debt repayment obligations along with steady cash generation from business. The average utilisation of working capital limits stood at around 85% of its sanctioned limit of Rs. 70 crore during the last 12 months ending in June 2026. Further, the company does not have any major capacity expansion plans over the near-to-medium term. Hence, available liquidity is expected to be sufficient to meet incremental working capital funding requirements and repayment of long-term debt, if any.

Rating sensitivities

Positive factors – ICRA may upgrade the rating if there is a substantial increase in the scale of operations and earnings, while enhancing its liquidity position and the financial risk profile on a sustained basis.

Negative factors – The Group's rating may be downgraded if there is sustained pressure on the revenues and earnings or an any further elongation in the working capital cycle, adversely impacting the liquidity position and debt protection metrics. Specific credit metrics that may cause a rating downgrade include TOL/TNW more than 2.5 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 a consolidated view of SMPPL and SFFPL., given the common management and the close financial and operational linkages between them.

About the company

Sanchita Marine Products Pvt. Ltd was incorporated in 1991 and is primarily engaged in processing and exporting seafood (mainly shrimp). The processing facilities are situated in Mumbai, with a processing capacity of 96.5 MTPD. Further, the company owns a cold storage facility, with an installed capacity of 885 MTPA.

The company is a part of the Sanchita Group (owned by the Bhor family), which entered the seafood business in 1991 and has two seafood processing plants in Mumbai. The Group mainly exports seafood to Spain, China, Belgium and the UAE.

Key financial indicators (audited)

Consolidated: (SFFPL+SMPPL)	FY2025	FY2026*
Operating income	183.4	213.8
PAT	3.0	3.8
OPBDIT/OI	6.5%	6.0%
PAT/OI	1.6%	1.8%
Total outside liabilities/Tangible net worth (times)	1.4	1.6
Total debt/OPBDIT (times)	3.9	4.9
Interest coverage (times)	2.1	2.1

*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

Instruments	Current rating (FY2027)			Chronology of rating history for the past 3 years					
				FY2026		FY2025		FY2024	
	Type	Amount rated (Rs. crore)	Aug 7, 2026	Date	Rating	Date	Rating	Date	Rating
Fund-based – Packing Credit	Short term	35.00	[ICRA]A4+	June 09, 2025	[ICRA]A4+	-	-	Mar 26, 2024	[ICRA]A4+
Fund based – Post Shipment Credit	Short term	20.00	[ICRA]A4+	June 09, 2025	[ICRA]A4+	-	-	Mar 26, 2024	[ICRA]A4+

Complexity level of the rated instruments

Instrument	Complexity indicator
Short term – Fund-based – Packing Credit	Simple
Short term – Fund based – Post Shipment 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 I: Instrument details

ISIN	Instrument name	Date of issuance	Coupon rate	Maturity	Amount rated (Rs. crore)	Current rating and outlook	Financial Sector Regulator#
NA	**Short term – Fund-based – Packing Credit**	NA	NA	NA	35.00	[ICRA]A4+	RBI
NA	**Short term – Fund based – Post Shipment Credit**	NA	NA	NA	20.00	[ICRA]A4+	RBI

Source: Company

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Annexure II: List of entities considered for consolidated analysis

Company name	Ownership	Consolidation approach
Sanchita Marine Products Pvt. Ltd.	Group company	ICRA has taken a consolidated view of the two companies of the Sanchita Group
Sanchita Frozen Foods Pvt. Ltd.	Group company	

Source: Company

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