



## Press Release

### Zeal Aqua Limited

July 30, 2025

#### Ratings

Instrument/Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	<a href="#">Complexity Indicator</a>
Long Term Facilities	168.23	IVR BBB- /Positive (IVR Triple B Minus with Positive Outlook)	-	Assigned	<a href="#">Simple</a>
Short Term Facilities	31.77	IVR A3 (IVR A Three)	-	Assigned	<a href="#">Simple</a>
<b>Total</b>	<b>200.00</b> <b>(Rupees Two Hundred Crore Only)</b>				

**Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3**

#### Detailed Rationale:

Infomerics Ratings has assigned its 'IVR BBB-/Positive/IVR A3' ratings on the bank facilities of Zeal Aqua Limited (ZAL).

The assigned ratings factor multi-decade experience of the promoters in the shrimp business and increased scale of operations. However, these strengths are partially offset by susceptibility of operations to market volatility, regional dependency, and competitive pressures, and working capital intensive nature of operations.

'Positive' outlook reflects Infomerics' belief that the company will continue to benefit from increased demand for black tiger and vannamei shrimps, which is expected to support scale of operations. Further, extensive experience of the promoters in the shrimp business will continue to aid ZAL's operations.

#### Key Rating Sensitivities:

##### Upward Factors

- Sustainable and significant improvement in scale of operations and operating profit margins leading to higher net cash accruals
- Sustained improvement in capital structure and debt protection metrics



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### Downward Factors

- Significant decline in total operating income and operating profit of the company leading to substantial decline in net cash accruals
- Any debt funded capex significantly impacting the capital structure and debt protection metrics

### List of Key Rating Drivers with Detailed Description

#### Key Rating Strengths

- **Multi-decade experience of the promoters in the shrimp business**

Zeal Aqua Ltd. benefits from the seasoned leadership of its promoter group, led by Mr. Pradip R. Navik with over 33 years in aquaculture and key roles in industry associations. He is supported by experienced directors and professionals overseeing procurement, operations, sales, and marketing. Their combined expertise has driven the company's expansion into shrimp farming, hatcheries, feed, probiotics, and processing, supported by a strong network of satellite farmers and sourcing channels.

- **Increase in Scale of Operation**

The company has maintained strong momentum in operational scale, with total operating income rising from ₹362.69 Cr in FY23 to ₹397.80 Cr in FY24 (9.68% growth) and further to ₹511.32 Cr in FY25 (28.54% growth). This expansion was driven by robust growth in domestic sales—from ₹243.07 Cr in FY23 to ₹374.22 Cr in FY25—and an increase in exports from ₹119.49 Cr to ₹135.50 Cr over the same period.

Profitability improved in parallel, with EBITDA rising by 74.3% from ₹18.97 Cr in FY23 to ₹33.04 Cr in FY25. PAT grew steadily by 17.3% in FY24 and 22.1% in FY25, reaching ₹10.10 Cr, supported by rising operating income and stable non-operating revenues despite higher interest expenses. Net cash accruals strengthened as well, increasing from ₹12.22 Cr in FY23 to ₹15.68 Cr in FY25, reflecting improved internal cash generation and enhanced debt-servicing capability.



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### Key Rating Weaknesses

- **Susceptibility to market volatility, regional dependency, and competitive pressures**

ZAL operates in a tightly regulated and highly competitive marine export industry. Frequent changes in global trade regulations—especially concerning shrimp—can restrict growth. Intense competition exists both domestically and from Southeast Asian exporters. The company's margins are sensitive to raw material price fluctuations, forex volatility, regional risks, and unpredictable supply due to seasonal shifts, seed/feed shortages, and disease outbreaks. Heavy reliance on Gujarat further exposes ZAL to localized climate and policy risks, making its performance closely tied to shrimp availability and export regulations.

- **Working capital-intensive operations**

ZAL's operations are inherently working capital intensive due to its direct and indirect involvement in shrimp farming and the seasonal nature of the industry. The business requires significant investment in receivables and inventory, driven by cyclical harvesting patterns. As of March 31, 2025, the company reported an extended operating cycle of 141 days, with receivables at 67 days and inventory levels high at 118 days, reflecting the strain on cash flow management caused by the seasonal dynamics of shrimp production. Further, the creditors' period stood at 43 days. Going forward, any elongation of working capital cycle will remain a key rating sensitivity factor.

**Analytical Approach:** Standalone

### Applicable Criteria

[Rating Methodology for Manufacturing Companies](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\)](#)

[Criteria for assigning Rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)



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### **Liquidity – Adequate**

The liquidity position of the company is marked by Net Cash Accruals (NCA) are projected in the range of ₹27.32 crore to ₹64.21 crore during FY26–FY28, averaging around ₹47.65 crore over the period. These accruals are expected to comfortably cover the corresponding debt repayment obligations, which range from ₹2.97 crore to ₹9.82 crore over the same period.

Further, the company has reported the current ratio at 1.28x as on March 31, 2025. The company's average working capital utilization for twelve months ending March 2025 stood at 83.59%, indicating modest liquidity cushion. ZAL had cash and bank balance of Rs. 0.67 crore as on March 31st, 2025.

### **About the Company**

The Company was incorporated as "Zeal Aqua Private Limited" in 2009 by Pradeep Navik and Shantilal Patel in Surat, Gujarat. The company started its operations in the aquaculture sector with a focus on shrimp farming. Consequent upon the conversion of the Company to Public Limited Company in 2015, the name changed to "Zeal Aqua Limited". It is an Aquaculture company that produce high-quality seafood. Zeal Aqua Promoters Mr. Shantilal Ishwarlal Patel have 33 Years of experience and Mr. Pradipkumar Ratilal Navik have 25 years of experience in existing industries. The Company is certified by ASC, The BRC Food, H.A.C.C.P. Food Safety, FSSAI, and FDA. Mr. Pradip R. Navik is Chairman & Promoter, Mr. Shantilal Patel is the whole time Director, Mr. Dhaval S. Patel is Director - Procurement & Operations and Mr. Rohan P. Navik is Director - Sales & Marketing

### **Financials (Standalone):**

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	<b>Audited</b>	<b>Audited</b>
Total Operating Income	397.80	511.32
EBITDA	21.30	33.04
PAT	8.27	10.10
Total Debt	157.32	181.44
Tangible Net Worth	77.62	87.76
EBITDA Margin (%)	5.35	6.46
PAT Margin (%)	2.04	1.94
Overall Gearing Ratio (x)	2.03	2.07
Interest Coverage (x)	1.55	1.49

\* Classification as per Infomerics' standards.



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**Status of non-cooperation with previous CRA:** None

**Any other information:** None

**Rating History for last three years:**

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date (Month xx, 202x)	Date (Month xx, 202x)	Date (Month xx, 202x)
1.	Fund Based – Term Loan 1	Long Term	2.14	IVR BBB- / Positive	-	-	-
2.	Fund Based – Term Loan 2	Long Term	4.07	IVR BBB- / Positive	-	-	-
3.	Fund Based – GECL 1	Long Term	1.14	IVR BBB- / Positive	-	-	-
4.	Fund Based – GECL 2	Long Term	1.20	IVR BBB- / Positive	-	-	-
5.	Fund Based – GECL 3	Long Term	2.89	IVR BBB- / Positive	-	-	-
6.	Fund Based – GECL 4	Long Term	0.88	IVR BBB- / Positive	-	-	-
7.	Fund Based – GECL 5	Long Term	2.57	IVR BBB- / Positive	-	-	-
8.	Fund Based – GECL 6	Long Term	2.44	IVR BBB- / Positive	-	-	-
9.	Fund Based – GECL 7	Long Term	2.67	IVR BBB- / Positive	-	-	-
10.	Fund Based CC 1	Long Term	36.60	IVR BBB- / Positive	-	-	-
11.	Fund Based CC 2	Long Term	36.00	IVR BBB- / Positive	-	-	-
12.	Fund Based CC 3	Long Term	40.40	IVR BBB- / Positive	-	-	-
13.	Fund Based CC 4	Long Term	5.00	IVR BBB- / Positive	-	-	-
14.	Proposed Long Term	Long Term	30.23	IVR BBB- / Positive	-	-	-
15.	Bank Guarantee	Short Term	3.00	IVR A3	-	-	-



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		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2024-25	Date(s) & Rating(s) assigned in 2023-24	Date(s) & Rating(s) assigned in 2022-23
					Date (Month xx, 202x)	Date (Month xx, 202x)	Date (Month xx, 202x)
16.	PCFC	Short Term	16.00	IVR A3	-	-	-
17.	Proposed Short Term	Short Term	12.77	IVR A3	-	-	-

### Analytical Contacts:

Name: Mithun Vyas

Tel: (079) 40393043

Email: [mithun.vyas@infomerics.com](mailto:mithun.vyas@infomerics.com)





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### About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

For more information and definition of ratings please visit [www.infomerics.com](http://www.infomerics.com).

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**Annexure 1: Instrument/Facility Details**

<b>Name of Facility/ /Security</b>	<b>ISIN</b>	<b>Date of Issuance</b>	<b>Coupon Rate/ IRR</b>	<b>Maturity Date</b>	<b>Size of Facility (Rs. Crore)</b>	<b>Rating Assigned/ Outlook</b>
Fund Based – Term Loan 1	-	-	-	February, 2028	2.14	IVR BBB- / Positive
Fund Based – Term Loan 2	-	-	-	March, 2030	4.07	IVR BBB- / Positive
Fund Based – GECL 1	-	-	-	November, 2027	1.14	IVR BBB- / Positive
Fund Based – GECL 2	-	-	-	January, 2027	1.20	IVR BBB- / Positive
Fund Based – GECL 3	-	-	-	September, 2027	2.89	IVR BBB- / Positive
Fund Based – GECL 4	-	-	-	January, 2027	0.88	IVR BBB- / Positive
Fund Based – GECL 5	-	-	-	March, 2028	2.57	IVR BBB- / Positive
Fund Based – GECL 6	-	-	-	March, 2029	2.44	IVR BBB- / Positive
Fund Based – GECL 7	-	-	-	November, 2027	2.67	IVR BBB- / Positive
Fund Based CC 1	-	-	-	-	36.60	IVR BBB- / Positive
Fund Based CC 2	-	-	-	-	36.00	IVR BBB- / Positive
Fund Based CC 3	-	-	-	-	40.40	IVR BBB- / Positive
Fund Based CC 4	-	-	-	-	5.00	IVR BBB- / Positive
Proposed Long Term	-	-	-	-	30.23	IVR BBB- / Positive
Bank Guarantee	-	-	-	-	3.00	IVR A3
PCFC	-	-	-	-	16.00	IVR A3
Proposed Short Term	-	-	-	-	12.77	IVR A3





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**Annexure 2: Facility wise lender details**

<https://www.infomerics.com/admin/prfiles/Len-Zeal-Aqua-30july25.pdf>

**Annexure 3: Detailed explanation of covenants of the rated Security/facilities:** Not Applicable

**Annexure 4: List of companies considered for consolidated/Combined analysis:** Not Applicable

**Note on complexity levels of the rated instrument:** Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at [www.infomerics.com](http://www.infomerics.com).

