



Press Release

Baby Marine Eastern Exports

May 30, 2025

Ratings

Instrument / Facility	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long Term Bank Facilities	15.89	IVR BBB- / Stable Outlook [IVR Triple B Minus with Stable Outlook]	IVR BBB- / Stable Outlook [IVR Triple B Minus with Stable Outlook]	Reaffirmed	Simple
Short Term Bank Facilities	81.60	IVR A3 (IVR A Three)	IVR A3 (IVR A Three)	Reaffirmed	Simple
Total	97.49 (Rupees Ninety-Seven Crore and Forty-Nine Lakh only)				

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 has reaffirmed its ratings on the bank facilities of Baby Marine Eastern Exports (BMEE).

The ratings factor the long track record of operations, multi decade experience of the promoters and increased scale of operations. The rating is, however, constrained by the moderate capital structure and debt protection metrics, risk associated with the inherent nature of the partnership constitution of the firm, and highly regulated and competitive sea food industry.

Stable outlook reflects Infomerics' belief that firm will continue to benefit from demand for cultured shrimps, increased scale of operations and experience of promoters.



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Key Rating Sensitivities:

Upward Factors

- Significant improvement in scale of operations, profitability margins and cash accruals
- Sustained improvement in capital structure and gearing ratios of the firm

Downward Factors

- Steady deterioration in operating margins and cash accruals
- Significant deterioration in capital structure and gearing ratios of the firm

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Long track record of operations:**
BMEE exports mainly to clients in China followed by Europe, Japan & Middle East. BMEE has been dealing with most of the clients for over a decade in these regions. These relationships strengthen the business foundation of BMEE.
- **Experienced promoters of the firm:**
The promoter family has been involved with the seafood industry for almost five decades. Over the years, they have developed a large network of clients, which has been instrumental for the business operations of BMEE. Infomerics believes the firm will continue to benefit from the experience of the promoters.
- **Improved scale of operations, albeit lower margins:**
BMEE has reported total operating income (TOI) of ~Rs. 410 crore in FY24 (~Rs. 401 crore in FY25 provisional), a significant increase of ~95% compared to ~Rs. 210 crore in FY23 mainly driven by shift in focus towards China which has greater demand for cultured shrimp - a low margin product. Consequently, BMEE's earnings before interest, tax, depreciation and amortization (EBITDA) margin has declined to 4.33% in FY24 and 4.21% in FY25 from 7.76% in FY23. Management believes that firm will



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continue to register steady growth in scale over the medium term. Any development impacting the demand dynamics of shrimp industry will have bearing on the operating revenues of the firm. This will remain a monitorable going forward.

Key Rating Weaknesses

- **Moderate capital structure and debt protection metrics:**

Total debt remained steady at around Rs. 74 crore over the last two fiscals. Due to moderation in EBITDA, the leverage in terms of total debt to EBITDA increased to 4.36 times as of March 2025 (prov.) as compared with 3.98 times as of March 2024. Further, total outside liabilities (TOL) to adjusted tangible net worth (ATNW) marginally deteriorated from 2.46 times in FY23 to 2.77 times in FY24 (2.75 times in FY25) driven by partner's drawings leading to reduction in ATNW to Rs. 31.50 crore as of March 2024 (Rs. 31.67 crore as of March 2025) as compared with Rs. 33.70 crore as of March 2023.

- **Risk associated with the partnership constitution:**

Given BMEE's constitution as a partnership firm, it remains exposed to discrete risks, including the possibility of withdrawal of capital by the partners and the risk of dissolution of the firm upon the death, retirement, or insolvency of partners.

- **Presence in highly regulated and competitive industry:**

Since seafood is a depleting commodity, there are strict regulations against excessive fishing and often new regulations crop up across the world restricting the trade of seafood including shrimps. These regulations do restrict the growth of the seafood exporters, including BMEE. Further, the industry is very competitive with presence of many large, mid, and small players across different states of India. Besides Indian players, competition also exists from many foreign players in Southeast Asian countries.



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Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies](#)

[Criteria on assigning rating outlook](#)

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

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

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

Liquidity – Adequate

Annual NCA over the next 3 years is expected to remain in the range of Rs 10 – 14 crore which will be sufficient to cover the annual debt repayment of Rs 3 - 5 crore over the same period. However, average working capital limit utilization remained high at ~95% for 12 months ended April-2025. Current ratio during FY24 & FY25 stood at 1.34 times & 1.32 times respectively.

About Baby Marine Eastern Exports:

Baby Marine Eastern Exports is a Seafood Exporting Firm in India since 1985 promoted by Mr. K. C. Thoms and Mrs. Nany Babu. The Firm has been into sea food processing and exports since 1985. The Firm's clientele includes quality conscious supermarket chains like Metro, Carrefour, Auchan, etc. The group has seafood processing factories spread over the South coast of India with certifications like BRC, HACCP, EU Approvals, and other mandatory certifications for the factories. Their factories are spread across South India enabling them to source quality raw material spread over different seasons.

They specialize in head on shrimps and exports head on shrimps from India in all the species in India. Apart from head on shrimps, the firm also produces and exports shrimps in various other forms like peeled and undeveined shrimps, peeled and deveined shrimps, headless shell on shrimps, peeled, tail on shrimps etc. The factory locations which are spread over the South Coast of India help them to source quality raw material. This is because there are several landing centres spread over the coast, having these factories helps the firm to process the raw material at the shortest possible time, which in turn help them to maintain the quality of the final product.



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Financials (Standalone):

(Rs. crore)

For the year ended / As on*	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	410.04	401.05
EBITDA	17.75	16.89
PAT	7.01	4.18
Total Debt	70.70	73.57
Tangible Net Worth	31.50	31.67
EBITDA Margin (%)	4.33	4.21
PAT Margin (%)	1.71	1.04
Overall Gearing Ratio (x)	2.24	2.32
Interest Coverage (x)	2.80	2.62

* Classification as per Infomerics' standards.

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: None	Date: March 21, 2024	Date: January 31, 2023
1.	Term Loan	Long Term	1.24	IVR BBB- / Stable	-	IVR BBB- / Stable	IVR BBB- / Stable
2.	GECL	Long Term	14.65	IVR BBB- / Stable	-	IVR BBB- / Stable	-
3.	Export Packing Credit	Short Term	55.50	IVR A3	-	IVR A3	IVR A3
4.	Foreign Bill Purchase	Short Term	25.00	IVR A3	-	IVR A3	IVR A3
5.	Forward Cover	Short Term	1.10	IVR A3	-	IVR A3	IVR A3

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About Infomerics:

Infomerics Valuation and Rating Limited (Formerly Infomerics Valuation and Rating Private Limited) (Infomerics) 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.

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Annexure 1: Facility Details

Name of Facility/ /Security	ISIN	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned / Outlook
Fund Based –Term Loan	-	-	-	August - 2026	1.24	IVR BBB- / Stable
Fund Based – GECL	-	-	-	December - 2027	14.65	IVR BBB- / Stable
Fund Based – Export Packing Credit	-	-	-	-	55.50	IVR A3 / Stable
Fund Based – Foreign Bill Purchase	-	-	-	-	25.00	IVR A3 / Stable
Non-Fund Based – Forward Contract	-	-	-	-	1.10	IVR A3 / Stable

Annexure 2: Facility wise lender details:

<https://www.infomerics.com/admin/prfiles/len-BMEE-may25.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.