

IPO Note

Essex Marine Limited

Recommendation: **AVOID**

Business - Essex Marine Limited is engaged in processing and exporting seafood products. The company operates from West Bengal, with its registered office in Kolkata and a processing unit in Shankarpur. It caters to both domestic and international market. The company serves both merchant exporters as a job worker and also exports directly, handling procurement, processing and export of seafood in frozen form.

Objects of the Issue –

Particulars	Amount (in ₹ Lakhs)
Expansion of existing peeling capacity	247.93
Setting up of “Ready-to-Cook” Section	78.25
To fund the expansion plan of the Company	600.00
Repayment of Loan	715.00
General Corporate Purposes	343.16

Promoters Name –

Debashish Sen and Kajari Sen

Promoter Share Holding Pattern	
Pre Issue	Post Issue
100.00%	72.07%

Rationale for recommendation –

Company has been operating in the segment of processing shrimps and marine fish and supplying it to the global market as well as domestic market. Based on the information available for 3-year period in the RHP, the revenue model of the company has been very volatile. The company has been selling dominantly in the domestic market for FY 23 and FY 24 and then shifted to export market in FY 25. Even in the export market, company majorly sales to China and Europe where the geopolitical situations are volatile as well. The company's major revenue is from one product which again poses the company to product concentration risk. With these, the revenue and profitability had also been fluctuating.

Although the company is looking for expansion and also entering the “Ready to Cook” market, the success and stability of the same is still far-fetched. From corporate governance point of view, the company seems to be dependent on one person i.e. Managing Director and the KMPs of the company also do not enough industry experience for their roles. The Post-IPO PE of 17 times, although lower than the mentioned peers, seems to be little overvalued.

In short, **even though expansion is in line, the company have a lot of risk factors** to deal with and the data given from FY 23 to FY 25 depicts a lot of volatility and so one should **avoid** applying in the IPO and wait for further developments.

IPO Details

Opening Date	Aug 04, 2025
Closing Date	Aug 06, 2025
Allotment Date	Aug 07, 2025
Listing Date	Aug 11, 2025
Stock Exchange	BSE SME
Lot Size	2,000 Shares
Issue Price Per Share	₹54
Issue Size	₹23.01 Cr.
Fresh Issue	₹23.01 Cr.
Offer for Sale	-
Application Amt	₹ 2,16,000 (4,000 shares)

KPIs (In Lakhs)

KPI's	FY 23	FY 24	FY 25
Revenue	2,189.76	1,915.02	3,722.47
EBITDA	431.67	302.63	672.80
Net Profit	202.64	182.29	466.50
RoCE	15.51%	10.34%	15.51%
ROE	18.11%	14.01%	26.39%
P/E	29.35	32.53	12.74

Valuation Parameters

Particulars	Pre-Issue	Post Issue
EPS	4.24	3.06
BVPS	16.07	11.58
P/E	12.74	17.67
P/BV	3.36	4.66
Mkt Cap (In Cr)	59.40	82.41

Lead Managers –

Khandwala Securities Limited

Registrar –

Skyline Financial Services Private Limited

Industry Overview –

India's seafood processing and export industry is experiencing accelerated growth, supported by strong global demand, government-backed initiatives, and increasing focus on value-added marine products. Frozen seafood, particularly shrimp, dominates exports, with rising interest from the US, China, Europe, and Southeast Asian nations.

Market Size –

India ranks among the top seafood exporters globally, with marine product exports valued at ₹64,119 crore (USD 7.38 billion) in FY24. Shrimp remains the largest contributor, followed by fish and squid. The Indian seafood export industry has been growing at a steady pace, backed by strong aquaculture infrastructure and robust cold-chain networks. Key export destinations include the USA, China, EU, and Japan, and demand is increasingly driven by Ready-to-Cook (RTC) and Ready-to-Eat (RTE) value-added seafood.

The marine food processing segment, particularly for exports, is witnessing increased mechanisation and cold storage investment, ensuring quality compliance with international food safety standards like HACCP, FSSAI, and EIC.

Government Initiatives –

The Marine Products Export Development Authority (MPEDA), under the Ministry of Commerce, plays a pivotal role in promoting marine exports through:

- Capacity building and technology support to seafood exporters.
- Assistance for cold chain infrastructure and processing unit modernisation.
- Certification support for USFDA, EU, and other import compliance.
- Backing for eco-labels and traceability programs to enhance global competitiveness.

Schemes like PM Matsya Sampada Yojana (PMMSY) further aim to boost the fisheries sector by supporting processing infrastructure, aquaculture development, and integrated value chains.

Outlook –

India's seafood export processing industry is poised for sustainable double-digit growth, driven by:

- Rising demand for customized, high-quality frozen seafood and ready-to-cook products in international markets.
- Increasing penetration of organised players with certifications and robust backward integration.
- Enhanced traceability and environmental compliance becoming key export preconditions.

(source : RHP)

Business Overview -

Established in the year 2009, the company is engaged in the processing and export of seafood products, catering to both domestic and international markets. Essex Marine Limited primarily deals in Vannamei shrimp and a variety of fish and shrimps, offering cleaned, graded, frozen, and packed seafood products suited for retail, hospitality, and institutional consumption. Operating from its processing facility at Shankarpur, West Bengal, the company undertakes activities including procurement, de-heading, peeling, deveining, grading, freezing, and packaging, supported by in-house cold storage and freezing systems. The facility is registered with FSSAI and MPEDA, ensuring regulatory compliance for food safety and exports. The company exports directly to international markets such as China, Netherlands and Israel, and also undertakes job work for merchant exporters. Its operations are designed to meet growing demand for processed seafood driven by changing consumption patterns and rising preference for ready-to-cook and frozen products in global markets.

Company operates from West Bengal with manufacturing capacity as given below –

Category	Capacity
Shrimp	5,717 MT per annum
Fish	4,258 MT per annum
Peeling Capacity	3,942 MT per annum

The company serves both to the domestic and international market. In FY 23 and FY 24, the domestic market saw the highest sales but in FY 25, majority of the sales was made to the export market as given in the table below –

State	2025 (Amount in Lakhs)	%	2024 (Amount in Lakhs)	%	2023 (Amount in Lakhs)	%
West Bengal	951.14	25.55%	1,427.01	74.52%	1,557.08	71.11%
Total	951.14	25.55%	1,427.01	74.52%	1,557.08	71.11%

Country	2025 (Amount in Lakhs)	%	2024 (Amount in Lakhs)	%	2023 (Amount in Lakhs)	%
Belgium	108.16	2.91%	-	-	103.29	4.72%
China	869.32	23.35%	-	-	-	-
Denmark	-	-	-	-	109.81	5.01%
France	284.38	7.64%	118.04	6.16%	107.66	4.92%
Germany	192.27	5.17%	102.39	5.35%	-	-
Israel	339.61	9.12%	-	-	-	-
Malaysia	-	-	-	-	99.17	4.53%
Netherland	880.24	23.65%	-	-	176.23	8.05%
Norway	97.34	2.62%	-	-	-	-
UAE	-	-	-	-	36.52	1.67%
UK	-	-	267.59	13.97%	-	0.00%

In the domestic market, majority of the revenue comes from West Bengal and in the export market majority of the revenue had been derived from China and Israel.

Over the past three years, the company had derived revenue from Marine Fish and Aquaculture vannamei shrimp with Aquaculture vannamei shrimp having the majority of the share as seen in the table below –

Product Name	2025 Amount	% of Revenue	2024 Amount	% of Revenue	2023 Amount	% of Revenue
Marine Fish	869.32	31.37%	5.49	1.11%	135.68	21.04%
Aquaculture Vannamei Shrimp	1,902.01	68.63%	488.02	98.89%	509.3	78.96%
Total	2,771.33	100.00%	493.5	100.00%	644.98	100.00%

The company along with sales of products is also indulged in Job Work and providing storage facilities as its separate segment. Job Work and Storage Facility accounted for majority of the revenue in FY 23 and FY 24 as given below –

Product Name	2025 (Amount in lakhs)	%	2024 (Amount in lakhs)	%	2023 (Amount in lakhs)	%
Export Sale of Products	2,771.33	74.45%	488.01	25.48%	632.68	28.89%
Domestic Sale of Products	-	-	5.49	0.29%	12.31	0.56%
Job Work Charges	616.69	16.57%	1,109.65	57.94%	1,248.91	57.03%
Rental from Dry & Cold Storage Operations	334.45	8.98%	311.87	16.29%	295.87	13.51%
Total	3,722.47	100%	1,915.02	100%	2,189.77	100%

To summarise, Essex Marine Limited, incorporated in 2009, is engaged in the processing and export of aquaculture and marine products, primarily vannamei shrimp and marine fish. The company operates with installed capacities of 5,717 MT for shrimp, 4,258 MT for fish, and 3,942 MT for peeling annually. In FY25, 74.45% of revenue was derived from export sales, compared to 25.48% in FY24, with key markets including China and the Netherlands. Job work charges declined from 57.94% in FY24 to 16.57% in FY25, indicating a shift in revenue composition. Rental income from dry and cold storage operations contributed 8.98% in FY25, maintaining a consistent share across years.

Business Strategies -

- Increase global presence and customer base.
- Focus on quality processing and timely delivery.
- Continue to maintain customer relationships.
- Leverage existing strengths to achieve scalability.
- Expand product offerings in line with market demand.
- Enhance operational efficiency and productivity.

FINANCIAL SNAPSHOT

(Amt. in Lakhs)

Particulars	FY 23	FY 24	FY 25	Particulars	FY 23	FY 24	FY 25
P&L Statement				Per Share Data			
Total Income	2,359.43	2,111.05	3,993.19	Diluted EPS	1.84	1.66	4.24
Total Expenses	2,073.91	1,852.28	3,365.99	BV per share*	20.35	23.66	16.07
EBITDA	431.67	302.63	672.80	Operating Ratios			
EBIT	372.3	241.16	600.45	EBITDA Margins	19.71%	15.80%	18.07%
PBT	285.52	258.77	627.20	PAT Margins	9.25%	9.52%	12.53%
Tax Expenses	82.88	76.48	160.70	Inventory days	83.38	160.59	111.42
Net Profit	202.64	182.29	466.50	Debtor days	202.69	-	71.42
Balance Sheet				Creditor days	187.19	19.04	2.56
Total Equity	1,119.10	1,301.39	1,767.90	Return Ratios			
Assets				RoCE	15.51%	10.34%	15.51%
Non-Current Assets	2,118.00	2,130.86	2,693.28	RoE	18.11%	14.01%	26.39%
Current Assets	1,980.71	1,294.68	2,215.35	Valuation Ratios (x)			
Total Assets	4,098.71	3,425.54	4,908.63	EV/EBITDA	6.65	9.19	6.00
Liabilities				Market Cap / Sales	1.356	1.551	1.60
Non-Current Liabilities	1,281.86	1,031.78	2,102.54	P/E	29.35	32.53	12.74
Current Liabilities	1,697.75	1,092.37	1,038.19	Price to Book Value	2.65	2.28	3.36
Total Liabilities	2,979.61	2,124.15	3,140.73	Solvency Ratios			
Cash Flow Statement				Debt / Equity	1.73	1.24	1.35
CFO	778.16	510.85	-219.11	Current Ratio	1.17	1.19	2.13
CFI	-10.70	-63.78	-51.38	Quick Ratio	0.87	0.42	1.04
CFF	-974.63	-504.71	265.05	Asset Turnover	0.53	0.56	0.76
				Interest Coverage Ratio	1.45	1.35	2.46

Financial Analysis –

- **Total Income** – The company's total income increased from ₹2,359.43 lakhs in FY23 to ₹3,993.19 lakhs in FY25, registering a CAGR of 29.35%, reflecting strong recovery and business expansion after a temporary dip in FY24.
- **EBITDA and PAT Margins** – EBITDA margin improved from 15.80% in FY24 to 18.07% in FY25, while PAT margin rose from 9.52% to 12.53%, indicating enhanced cost efficiency and profitability.
- **RoCE and RoE** – Return on capital employed improved from 10.34% in FY24 to 15.51% in FY25, while return on equity increased from 14.01% to 26.39%, highlighting better capital utilisation and stronger returns to shareholders.
- **Operating Cash Flow** – Operating cash flow turned negative at ₹ (219.11) lakhs in FY25 from ₹ 510.85 lakhs in FY24, pointing to strain in working capital despite higher profits.
- **D/E Ratio and Interest Coverage** – Debt-to-equity ratio rose marginally from 1.24x in FY24 to 1.35x in FY25. However, the interest coverage ratio improved significantly from 1.35x to 2.46x, indicating improved ability to meet interest obligations.

Outlook – The company has shown volatility in its revenue and profits over the 3-year period. The set back is said to be due to the geopolitical situation, but in this period the peers have seen increasing trend. The working capital ratios have also been volatile. RoCE has been low while the ROE saw a sudden increase.

Lead Manager –

The lead manager of the issue is Khandwala Securities Limited. This is the 10th mandate handled by them in last 3 years and out of the last 9 listings, 3 opened at discount, 2 at par and 4 at premium.

Risk Factors -

- Company operates in an environmentally sensitive sector exposed to biosecurity risks across its farming, processing, and transport operations, which may adversely impact its business and financial performance.
- Majority of the revenue is derived from a single product i.e. Aquaculture vannamei shrimp.
- Top 5 customers have contributed to more than 90% of revenue in FY 23 and FY 24.
- Company is exposed to high geo-political risks as it exports majorly to China, Europe and Israel.
- Majority of the revenue in FY 23 and FY 24 had been derived from Job Work and Storage facility.
- Company has experienced negative cash flows in FY 25.
- Delay in PF payments have ranged from 15 days to 260 days.
- Promoter has been involved in a Material Civil Litigation case of ₹ 96 lakhs
- The company operates in a highly competitive industry, exposing it to pricing risks.

Key Management

- Debashish Sen is the Managing Director of the company. He has more than 23 years of experience in procurement, processing and export of marine fish and aqua culture products.
- Kajari Sen is the Promoter and Non-Executive Non-Independent Director of the company. She has more than 11 years of experience in the sea food industry.
- The Independent Directors have considerable experience in their respective fields.
- The Chief Financial Officer of the company possesses 5 years of limited experience in finance, accounting, taxation and legal matters.
- The Company Secretary and Compliance Officer has more than 2 years of experience.

Outlook – The overall management of the company is unsatisfactory as management is dependent on one person and most of key managerial personnel have limited experience.

Peer Analysis

Particulars	Essex Marnie Limited			Kings Infra Ventures Limited			Zeal Aqua Limited		
	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25	FY 23	FY 24	FY 25
NP Margin	9.25%	9.52%	12.53%	9.84%	8.89%	10.48%	1.93%	2.01%	1.98%
EBITDA Margin	19.71%	15.80%	18.07%	16.39%	15.56%	19.35%	5.25%	5.28%	6.52%
RoCE	15.51%	10.34%	15.51%	18.00%	18.00%	20.00%	11.00%	11.00%	15.00%
ROE	18.11%	14.01%	26.39%	16.67%	13.79%	18.06%	9.86%	10.13%	11.11%
EPS (INR)	1.84	1.66	4.24	6.00	8.00	13.00	0.56	0.66	0.80
P/E	29.35	32.53	12.74	48.10	54.10	24.00	13.50	20.00	10.20

Essex Marine Limited has shown steady financial improvement between FY23 and FY25, with a rise in net profit margin to 12.53% in FY25, higher than both Kings Infra Ventures and Zeal Aqua. Its EBITDA margin of 18.07% remains in line with Kings Infra and above Zeal Aqua's levels. The company's RoCE improved to 15.51% in FY25, broadly comparable with peers, while RoE increased to 26.39%, indicating efficient use of equity capital. Although its EPS remains lower than Kings Infra, Essex trades at a FY25 P/E of 12.74x, suggesting relatively moderate valuation levels compared to its peer set.

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