

How Trade Finance Is Powering India's Seafood Export Ambitions

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India's seafood export sector is navigating a pivotal phase of resilience and reinvention. Despite global trade disruptions, shifting tariff regimes, and rising compliance demands, the industry has sustained strong momentum driven by evolving consumer preferences for high-protein diets and convenient, value-added seafood products across key markets like the US and Europe. At the same time, exporters, particularly MSMEs, are grappling with longer working capital cycles, supply chain complexities, and limited access to traditional financing.

In this exclusive interaction with NUFFOODS Spectrum, Deepak Gandhi, Director, Exports & Pre-Shipment at Drip Capital, unpacks the global demand trends shaping India's marine exports, the risks of over-reliance on frozen shrimp, and the urgent need to diversify both products and markets. He also sheds light on the growing importance of digital trade finance, invoice financing, and policy support in enabling exporters to scale efficiently. As India sets its sights on ambitious export targets, Gandhi highlights how access to timely, flexible capital will be a defining factor in unlocking the sector's next wave of growth.

India's marine product exports have shown strong growth, particularly in segments like frozen shrimp and processed seafood. What key global trends are driving this demand, and how can Indian exporters further capitalise on these opportunities?

India's seafood exports reached 1.78 million metric tonnes worth \$7.38 billion in FY24, holding steady at around \$7.45 billion in FY25 despite significant headwinds. The resilience reflects two demand shifts: growing consumer preference for high-protein diets where shrimp fits well, and rising demand for processed, ready-to-cook formats in the US and Europe.

That said, with ~66 per cent of export earnings still coming from frozen shrimp, concentration remains a real risk. The US tariff shock of 2025, which pushed effective duties on Indian shrimp to nearly 58 per cent before a partial rollback to 18 per cent in early 2026, made this tangible. With the US historically absorbing close to half of India's shrimp exports, it forced a rapid pivot toward the EU, UK, Japan, and Southeast Asia. The path forward is clear: move up the value chain into cooked, breaded, and branded products while expanding geographies.

This is where financing becomes critical. At Drip Capital, we provide collateral-free invoice financing to seafood exporters at the point of shipment, and the segment already contributes ~25 per cent of our trade finance portfolio. As exporters diversify markets and scale into value-added categories, working capital cycles grow longer and more complex. With India targeting \$15 billion in seafood exports by 2030, we expect financing demand from this sector to grow disproportionately as more SMEs enter global supply chains.

MSMEs play a crucial role across the seafood export value chain from aquaculture to processing and distribution. What are the most pressing working capital challenges these businesses face today?

For MSMEs, the primary challenge is funding operations consistently. Aquafeed costs remain high and volatile. Logistics disruptions like the Red Sea situation have extended transit times and freight costs, stretching working capital cycles further. And as global buyers raise the bar on traceability, compliance, and quality standards, exporters now have to tie up capital much earlier in the cycle just to access premium markets.

The bigger constraint is on the financing side. Most MSMEs lack hard collateral, so even with confirmed export orders, cash stays locked across procurement, processing, and shipment. From our experience at Drip Capital, a large share of the seafood exporters we work with are creditworthy but underserved. Their need is timely, order-backed working capital, not long-term debt. As supply chains grow more complex, flexible trade finance is becoming a necessity, not a nice-to-have.

Exporters often deal with long payment cycles, especially in international markets. How can trade finance and invoice financing solutions help bridge this gap and ensure smoother cash flow management?

In seafood exports, long payment cycles are structural. Exporters typically get paid 30-90 days post-shipment, creating a clear gap between production and cash realisation. Invoice financing directly bridges this. At Drip Capital, we support exporters across the cycle, including pre-shipment, by advancing up to 80 per cent of the invoice value within 24-48 hours of approval. This ensures businesses can keep production running, pay suppliers on time, and confidently take on larger orders without the liquidity stress.

What makes this particularly relevant for MSMEs is the structure. Because financing is transaction-backed and collateral-free, credit access is linked to actual export activity rather than balance sheet strength, which is a critical distinction for businesses managing tight margins and limited assets. At a broader level, it keeps the entire supply chain liquid and responsive, which in a sector where timing and consistency directly impact realisations, is not a small thing.

How is digital trade finance transforming access to credit for seafood exporters, particularly smaller players who may lack traditional collateral or credit history?

Digital trade finance shifts underwriting from collateral and financial statements to real-time data (GST filings, bank transactions, shipping records), focusing on actual trade activity rather than balance sheet strength. For smaller seafood exporters who were historically excluded from formal credit despite strong order books, this is a meaningful unlock.

The second shift is speed. What once took weeks is now compressed into days, with onboarding, verification, and disbursement fully digitised. And increasingly, financing is embedded within the trade flow itself; it's accessible at the point of invoicing or shipment, with no separate loan application required.

At Drip Capital, this combination of data-led underwriting, faster access, and embedded finance is how we're expanding credit access at scale for MSMEs that were active participants in global trade but largely shut out of formal credit.

In your view, what policy or ecosystem-level changes are needed to strengthen India's competitiveness in the global marine products market?

Improving competitiveness requires focus on both market access and cost structures. The India-EU FTA, which removes tariffs ranging from 4.7 per cent to as high as 26 per cent depending on product category, is a meaningful step for exporters looking to diversify beyond the US. On the supply side, increasing duty-free import limits on inputs like fish feed and investing in deep-sea fishing infrastructure will improve margins and expand supply over time.

There's also a growing need for a national traceability framework. Global buyers increasingly demand transparency from farm to fork, and helping MSMEs meet those standards is as important as any tariff negotiation.

Finally, none of this works without the financing layer. As exporters invest in compliance, infrastructure, and new markets, access to timely working capital is what converts policy tailwinds into actual growth. Competitiveness today is as much about financial readiness as it is about cost.

Looking ahead, how do you see financing solutions evolving to support the next phase of growth in India's seafood exports, especially as demand for value-added products increases?

Financing will become more tightly linked to actual trade flows with faster disbursements, data-led underwriting, and products built around how exporters operate on the ground. Two additional shifts are worth watching: sustainability-linked financing, as global buyers push harder on environmental and compliance standards; and a broader pool of capital beyond traditional banks, as alternative investors move into trade finance and improve overall liquidity.

The underlying point is simple. The next phase of growth in India's seafood exports will depend as much on access to timely capital as it does on demand. At Drip Capital, expanding that access for MSMEs, efficiently and at scale, is central to how we see our role in this market.

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