ICRA

December 23, 2025

Shalimar Nutrients Pvt Ltd: Ratings reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous rated amount (Rs. crore)	Current rated amount (Rs. crore)	Rating action
Long-term fund-based – Working capital facilities	190.00	190.00	[ICRA]A+ (Stable); reaffirmed
Long-term fund-based – Interchangeable	(7.00)	(4.00)	[ICRA]A+ (Stable); reaffirmed
Short-term non-fund based – Working capital facilities	1.10	1.10	[ICRA]A1; reaffirmed
Short-term Non-Fund based – Interchangeable	(5.00)	(5.00)	[ICRA]A1; reaffirmed
Long-term/ Short-term – Unallocated limits	1.00	3.90	[ICRA]A+ (Stable)/ [ICRA]A1; reaffirmed/ assigned for enhanced amount
Total	**192.10**	**195.00**	

**Instrument details are provided in Annexure I*

Rationale

For arriving at the rating(s), ICRA has taken a consolidated view of C. L. Enterprises Private Limited (CLEPL, rated at [ICRA]A+ (Stable)/ [ICRA]A1), Galsi Commercial Farms LLP (GCFL, rated at [ICRA]A+ (Stable)/ [ICRA]A1), Infinity Feeds Private Limited (IFPL, rated at [ICRA]A+ (Stable)/ [ICRA]A1), Shalimar Hatcheries Limited (SHL, rated at [ICRA]A+ (Stable)/ [ICRA]A1), Shalimar Nutrients Private Limited (SNPL, rated at [ICRA]A+ (Stable)/ [ICRA]A1), Shalimar Pellet Feeds Limited (SPFL, rated at [ICRA]A+ (Stable)/ [ICRA]A1), Sona Nutrients Private Limited (SONPL, rated at [ICRA]A+ (Stable)/ [ICRA]A1), Sona Vets Private Limited (SVPL, rated at [ICRA]A+ (Stable)/ [ICRA]A1) and Utkal Feeds Private Limited (UFPL, rated at [ICRA]A+ (Stable)/ [ICRA]A1), collectively referred to as the Shalimar Group/Group, given the close business, financial and managerial linkages among them. Moreover, CLEPL, SHL, SNPL, SPFL and SVPL have extended corporate guarantees to other entities within the Group for availing bank facilities.

With a view of consolidating its operations under a single entity and achieving a simplified corporate structure by way of group reorganisation, along with administrative and operational convenience, the management has envisaged undertaking the amalgamation of CLEPL, SNPL, SPFL, UFPL, Nivritti Foods Private Limited (NFPL) and Contai Golden Hatcheries (Eastern) Private Limited (CGHEPL) into Sona Vets Private Limited, in the present form or with such alterations/modifications as may be approved, imposed or directed by the National Company Law Tribunal (NCLT). In September 2025, the management applied to the NCLT for approval of the proposed amalgamation scheme. ICRA does not expect the proposed amalgamation of the specified Group entities to have a material impact on the financial risk profile of the Shalimar Group, as the majority of the entities (except NFPL/CGHEPL) have already been considered while arriving at the ratings.

The ratings continue to factor in the established presence of the Shalimar Group in the poultry and related businesses and the operational linkages among the Group entities, which support its market position. ICRA also notes the Group's large scale and integrated nature of operations, with presence across various stages of the value chain, including soya extraction and refining, manufacturing of poultry feed, breeder farming, hatchery, broiler farming, layer farming and chicken processing. This has helped the Group in achieving operational efficiency over the years and strengthen its market position. The ratings continue to derive comfort from the favourable financial risk profile of the Group, characterised by a conservative capital structure and comfortable debt coverage metrics, which though may moderate to some extent, are likely to remain comfortable in the near-to-medium term. In FY2025, the consolidated operating income of the Group grew by around 10% on a YoY basis, supported by substantial growth (~19%) in sales volume of broiler birds. The operating profit margin (OPM) of the Group, however, moderated to 5.2% in FY2025 from 5.7% in FY2024, on the back of a decline (~4%) in broiler realisations. Despite some likely moderation in margins driven by reduced broiler realisations, ICRA expects the Group's revenue growth to witness material improvement in the current fiscal owing to a gradual increase in broiler placements. However, the OPM may witness a marginal squeeze, given that broiler realisations in H1 FY2026 remained muted on a YoY basis. Nevertheless, ongoing capacity addition, along with both backward and forward integration initiatives adopted by the Group, combined with favourable domestic demand prospects of the organised poultry sector and the recent uptick in broiler realisations, are expected to support the Group's stable financial position.

The ratings, however, are constrained by the susceptibility of the Group's margin to the highly volatile feed prices, which depend on agro-climatic conditions (maize and soya being the main raw materials for poultry feed manufacturing), international prices and Government interventions in terms of minimum selling prices etc. The current fiscal has started on a positive note, with relatively lower levels of soya and maize prices. This is likely to support the profitability of all the integrators in the poultry industry, including the Shalimar Group. While arriving at the ratings, ICRA has also noted the volatility in broiler realisations due to the seasonal nature of demand for poultry products in India, which has a significant bearing on the Group's profitability. The Group, like other entities in the poultry and related business, is also exposed to the inherent risk of disease outbreak (bird flu). However, ICRA considers the various bio-security measures adopted by the Group over the years, which mitigate the risk to some extent.

The Stable outlook on the long-term rating reflects ICRA's opinion that the established presence of the Shalimar Group in the poultry business for over four decades will continue to support its business position and profitability levels in the long run. Besides, the financial risk profile of the Group is likely to remain comfortable going forward, supported by adequate cash flows relative to its debt service obligations.

Key rating drivers and their description

Credit strengths

Favourable long-term outlook for India's organised poultry sector – Structural drivers like earnings volatility due to vulnerability to raw material prices and increasing capital investment requirements augur well for the growth of the organised poultry industry. The organised players' ability to invest in advanced technologies for quality and efficiency improvement, focus on enhancing vertical integration and economies of scale, provides a competitive edge over unorganised players. Changing eating habits, increasing urbanisation and growing penetration of quick service restaurants are also supporting demand for value-added products like ready-to-cook and ready-to-eat poultry products. These factors align well with the Group's current capex for backward/ forward integration plan.

Established presence of the Shalimar Group in poultry and related businesses – The Shalimar Group has a dominant presence in the poultry industry, primarily in the eastern and north-eastern parts of India. The Group has been involved in this line of business for over four decades and has multiple business divisions, including soya extraction and refining, manufacturing of poultry feed, breeder farming, hatchery, broiler farming, layer farming and chicken processing. The Group sells its value-added products under the brand name TOTAL, viz. Total Chicken (processed chicken), Total Gold (soya refined oil), Total Supreme, Total Classic (packaged eggs) etc. ICRA believes that the integrated operations of the Group, spanning refinery and poultry feed manufacturing to broiler farming and processed chicken, help it to have a greater control over the cost as well as the quality of the produce. The integrated operations of the Group provide significant competitive advantages over unorganised players, as reflected in the marked improvement in the Group's overall scale of operations and earnings over the years.

Well-integrated presence across the value chain, supporting its increasing scale of operations and earnings – The Group has a presence across the entire poultry industry value chain. One of the Group entities produces soya de-oiled cake (soya DOC), and around 95% of the Group's requirement for soya DOC for poultry feed manufacturing is sourced internally. Further, 100% of the Group's poultry feed requirement is met internally, with excess feed sold in the open market. These enable the Group to have a better control on the quality of the feed. However, the Group depends on external sources to meet its requirement for hatching eggs, as in-house capacity is not sufficient to meet the entire requirement, exposing the Group's profitability to adverse movements in hatching egg prices. Nevertheless, dependence on external sources for hatching eggs has gradually reduced over the years to around 40% in FY2025, from around 65% in FY2018, due to planned expansions in breeder farming capacity. Although Shalimar's major portion of the revenue comes from the sale of broilers, it also has a unit for processed and frozen chicken unit at Galsi, Burdwan. The top line of the Shalimar Group witnessed a steady growth over the past few years, primarily driven by an increase in the volume of sales. ICRA notes that regular additions to production capacity have led to overall growth in operating income over the years. The Group's operating income rose to around Rs. 5,483 crore in FY2025 from around Rs. 2,459 crore in FY2020. Despite a marginal decline in broiler realisations, an increase in broiler sales volumes resulted in a top-line growth of (~10%) in FY2025 over the previous fiscal. The Group has an integrated presence across the value chain through various entities, resulting in strong operational efficiencies. ICRA expects that a gradual increase in the broiler placement is likely to result in a sizeable growth of more than 20% in its top line in FY2026, on a YoY basis. The Group has ongoing capital expenditure (capex) programmes both towards backward and forward integration to increase the capacity of feed manufacturing, solvent extraction/ refinery, breeder farming, hatching, layer farming, broiler farming and chicken processing. A major portion of the term loans for the proposed capex programme has already been tied up. However, execution of the planned capex within the budgeted cost and estimated timeframe will remain critical from a credit perspective. Nevertheless, ICRA believes that the integrated operations of the Group, spanning refinery and manufacturing of poultry feeds to broiler farming and processed chicken, help it to have a greater control over the cost as well as the quality of the produce.

Favourable financial risk profile characterised by a conservative capital structure and comfortable debt coverage metrics – The capital structure of the Group continues to remain conservative on account of a healthy net worth and limited external borrowings, although the same has increased gradually over the years. The consolidated gearing and TOL/TNW stood at 0.8 times and 1.7 times, respectively, as on March 31, 2025. In view of the debt-funded proposed capital expenditure programme, the overall debt level of the Group is likely to increase to some extent over the next two years. Nevertheless, the capital structure would continue to remain at a conservative level, going forward, on the back of heathy accretion to reserves. Despite some likely moderation, the coverage indicators would continue remain comfortable, over the coming few years, owing to healthy earnings as well as cash accruals and a relatively lower gearing. ICRA does not foresee any major deterioration in the coverage indicators in the near term, at least.

Credit challenges

Profitability vulnerable to movement in raw material prices – The major raw materials required for poultry feed are maize and soya de-oiled cake. SNPL has solvent extraction facilities for manufacturing soya de-oiled cake from soya seeds, which meets a portion of the inputs required to manufacture feeds, rendering the benefit of backward integration. However, the prices of raw materials (maize and soya seeds) remain volatile on the back of fluctuation in domestic production due to dependence on agro-climatic conditions, international prices, Government regulations and demand from the animal husbandry sector, which is susceptible to seasonality. The price of soya and maize witnessed a moderation over the past two years. This had led to a decline in the overall cost of production of broiler. However, moderation (~4%) in broiler realisation had a bearing on the overall profitability of the Group in FY2025 compared to FY2024. The OPM of the Group registered a decline to 5.2% in FY2025 from 5.7% in FY2024. In 5M FY2026, the price of soya and maize stood at a similar level compared to last year. In H1 FY2026, broiler prices were lower compared to H1 FY2025. Accordingly, ICRA expects the Group's OPM to remain at around 5% in FY2026. The overall profits and cash accruals from business are likely to increase on the back of increasing scale of operations. The RoCE of the Group would continue to remain at a moderate level of 11-12% in near to medium term. The profitability of the Shalimar Group, like other entities in the poultry business, will remain vulnerable to feed price movements.

Margin susceptible to high volatility in broiler realisations – As inherent in the industry, broiler realisations vary considerably across geographies and are impacted by seasonality as well as local demand-supply dynamics. Volatility in broiler realisations, due to the seasonal nature of demand for poultry products in India, has a bearing on the profitability of all integrators. In the past, the Indian poultry industry has been periodically affected by unfavourable broiler realisations owing to the seasonal nature of demand of poultry products in India and occasional over-supply situation in the market. In Q1 FY2025, broiler realisation was almost higher by 7-8% on a YoY basis. However, in Q4 FY2025, the price of broiler witnessed a steep decline on the event of 'Maha Kumbh', affecting the religious sentiment, and also impacted due to bird flu, thereby lowering down consumption, resulting in a marginal decline in broiler realisation by around 4% in FY2025, on YoY basis. In the first half of the current fiscal, the broiler realisation was impacted due to excessive production, resulting an oversupply situation. ICRA notes that the average realisation of broiler of the Shalimar Group stood at around Rs. 91/ Kg, down by around 13%, on a YoY basis. Nevertheless, the steady improvement in the broiler realisation witnessed in the recent past is expected to support margin, although sustainability of the same remains to be seen.

Exposed to the inherent industry risk of disease outbreak – The Group, like other entities in the poultry and related businesses, remains exposed to the inherent industry risk of disease outbreaks (bird flu or avian influenza). However, ICRA notes the various bio-security measures adopted by the Group over the years, which mitigate the risk to an extent.

Liquidity position: Adequate

The Group reported negative cash flow from operations in FY2025, driven by an increase in working capital requirements to support the rising scale of operations. In FY2026, despite a likely increase in scale, consolidated cash flows from operations are expected to remain positive, supported by a marginal reduction in working capital intensity. Over the past 15 months ending November 2025, the Group's working capital utilisation stood at a moderate level of around 53%, providing sufficient headroom for future requirements. The Group has planned capital expenditure of around Rs. 400 crore over the next two years, which will be funded through a mix of bank borrowings, internal accruals, and contributions from Group entities. Long-term debt repayment obligations of Rs. 40-70 crore are scheduled over the same period. Given surplus cash and bank balances and liquid investments (around Rs. 62 crore as on March 31, 2025), along with moderate operating cash flows and undrawn working capital limits, the Group is well positioned to meet its incremental working capital needs, debt servicing commitments and partially fund its capex programme. ICRA expects the Shalimar Group's overall liquidity position to remain adequate in the near term.

Rating sensitivities

Positive factors – ICRA may upgrade the ratings if there is a significant increase in revenues, profits and cash accruals, resulting in an improvement in the credit profile of the Group on a sustained basis.

Negative factors – ICRA may downgrade the ratings if there is a significant deterioration in the Group's profitability and/or an unanticipated large debt-funded capital expenditure, adversely impacting the Group's credit profile on a sustained basis. Specific credit metric that may trigger ratings downgrade include a consolidated interest coverage of less than 5.5 times on a sustained basis.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	Corporate Credit Rating Methodology Edible Oil
Parent/Group support	Not applicable
Consolidation/Standalone	For arriving at the ratings, ICRA has considered the consolidated financials of various Group entities, given the close business, financial and managerial linkages among them, which are enlisted in Annexure – II.

About the company

Incorporated in 2010, SNPL was set up as a backward integration arm of the Shalimar Group. The company has a solvent extraction plant and a refinery unit with an installed capacity of 2,10,000 metric tonne per annum (MTPA) and 45,000 MTPA respectively. The manufacturing facilities of the company is located in Nagpur, Maharashtra.

The company is a part of the Shalimar Group based in Kolkata, West Bengal, which has presence across soya extraction and refining, poultry and aqua feed manufacturing, breeder farming, hatching, broiler farming, chicken processing, layer farming and milk processing into milk and milk products.

Key financial indicators (audited)

SNPL	Shalimar Nutrients Private Limited – Standalone			Shalimar Group – Consolidated		
	FY2023	FY2024	FY2025	FY2023	FY2024	FY2025
Operating income	1,282.9	1,090.6	998.7	4,214.2	4,964.9	5,483.3
PAT	19.9	16.4	25.4	65.0	170.2	139.2
OPBDIT/OI	2.7%	3.0%	4.1%	3.6%	5.7%	5.2%
PAT/OI	1.5%	1.5%	2.5%	1.5%	3.4%	2.5%
Total outside liabilities/Tangible net worth (times)	1.0	0.9	1.0	1.0	1.0	1.7
Total debt/OPBDIT (times)	2.9	3.7	3.5	2.9	1.9	2.9
Interest coverage (times)	6.3	5.0	5.7	3.9	6.8	6.3

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

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Current (FY2026)			Chronology of rating history for the past 3 years					
				FY2025		FY2024		FY2023	
Instrument	Type	Amount rated (Rs. crore)	Dec 23, 2025	Date	Rating	Date	Rating	Date	Rating
Fund-based – Working capital facilities	Long term	190.00	**[ICRA]A+ (Stable)**	Sep 27, 2024	[ICRA]A+ (Stable)	Jun 12, 2023	[ICRA]A (Stable)	Apr 07, 2022	[ICRA]A (Stable)
Term loan	Long term	-	**-**	-	-	-	-	Apr 07, 2022	[ICRA]A (Stable)
Fund-based Limits – Interchangeable	Long term	(4.00)	**[ICRA]A+ (Stable)**	Sep 27, 2024	[ICRA]A+ (Stable)	Jun 12, 2023	[ICRA]A (Stable)	Apr 07, 2022	[ICRA]A (Stable)
Non-Fund based – Working capital facilities	Short term	1.10	**[ICRA]A1**	Sep 27, 2024	[ICRA]A1	Jun 12, 2023	[ICRA]A1	Apr 07, 2022	[ICRA]A1
Non-Fund based Limits – Interchangeable	Short term	(5.00)	**[ICRA]A1**	Sep 27, 2024	[ICRA]A1	Jun 12, 2023	[ICRA]A1	Apr 07, 2022	[ICRA]A1
Unallocated limits	Long term	-	**-**	-	-	-	-	Apr 07, 2022	[ICRA]A (Stable)
Unallocated limits	Long term/ Short term	3.90	**[ICRA]A+ (Stable)/ [ICRA]A1**	Sep 27, 2024	[ICRA]A+ (Stable)/ [ICRA]A1	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity indicator
Long-term fund-based – Working capital facilities	Simple
Long-term fund-based – Interchangeable	Simple
Short-term non-fund based – Working capital facilities	Simple
Short-term non-fund based – Interchangeable	Simple
Unallocated limits	Not applicable

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
NA	Working capital facilities 1	-	-	-	48.00	[ICRA]A+ (Stable)
NA	Working capital facilities 2	-	-	-	97.00	[ICRA]A+ (Stable)
NA	Working capital facilities 3	-	-	-	45.00	[ICRA]A+ (Stable)
NA	Fund-based Interchangeable Limits	-	-	-	(4.00)	[ICRA]A+ (Stable)
NA	Non-Fund-based Working Capital Facilities	-	-	-	1.10	[ICRA]A1
NA	Non-Fund-based Interchangeable Limits	-	-	-	(5.00)	[ICRA]A1
NA	Unallocated limits	-	-	-	3.90	[ICRA]A+ (Stable)/ [ICRA]A1

Source: Shalimar Nutrients Private Limited

Please click here to view details of lender-wise facilities rated by ICRA

Annexure II: List of entities considered for consolidated analysis

Company Name	SNPL's Ownership	Consolidation Approach
C. L. Enterprises Private Limited	-	Full Consolidation
Galsi Commercial Farms LLP	-	Full Consolidation
Infinity Feeds Private Limited	-	Full Consolidation
Shalimar Hatcheries Limited	-	Full Consolidation
Shalimar Pellet Feeds Limited	-	Full Consolidation
Sona Nutrients Private Limited	82.00%	Full Consolidation
Sona Vets Private Limited	-	Full Consolidation
Utkal Feeds Private Limited	-	Full consolidation

Source: C. L. Enterprises Private Limited, Galsi Commercial Farms LLP, Infinity Feeds Private Limited, Shalimar Hatcheries Limited, Shalimar Nutrients Private Limited, Shalimar Pellet Feeds Limited, Sona Nutrients Private Limited, Sona Vets Private Limited and Utkal Feeds Private Limited

Note: ICRA has taken a consolidated view of the above-mentioned entities, referred to as Shalimar Group/ Group while assigning the rating(s).

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