

October 11, 2023

C. L. Enterprises Pvt. Ltd.: Change in limits

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long-term Fund-based – Working Capital Facilities	13.00	13.00	[ICRA]A (Stable), outstanding
Long-term Fund-based – Term Loan	2.00	3.50	[ICRA]A (Stable), outstanding
Long-term/ Short-term Non-Fund based – Working Capital Facilities	1.00	1.00	[ICRA]A (Stable)/ [ICRA]A1, outstanding
Long-term/ Short-term – Unallocated Limits	5.00	3.50	[ICRA]A (Stable)/ [ICRA]A1, outstanding
Total	21.00	21.00	

* Instrument details are provided in Annexure – I

Rationale

This rationale is being released to convey the change in the rated limits as depicted in the table above, based on the latest information received from the entity.

Please refer to the following link for the previous detailed rationale that captures key rating drivers and their description, the liquidity position and rating sensitivities, [Click here](#).

Analytical approach

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

About the company

Incorporated in 1994, CLEPL manufactures poultry feed with an annual production capacity of 60,000 metric tonne. The manufacturing facility of the company is located at Howrah, West Bengal. The company is in the process of increasing its production capacity by 60,000 MTPA by setting up another plant in the same factory premise, which is scheduled to commence commercial operation by December, 2023.

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)

	C. L. Enterprises Private Limited – Standalone			Shalimar Group - Consolidated	
	FY2021	FY2022	FY2023	FY2021	FY2022
Operating income	119.5	186.9	201.4	2,846.5	3,461.4
PAT	0.3	2.7	1.2	148.7	87.0
OPBDIT/OI	2.9%	3.1%	2.2%	8.5%	4.3%
PAT/OI	0.3%	1.4%	0.6%	5.2%	2.5%
Total outside liabilities/Tangible net worth (times)	5.2	3.7	2.4	0.6	0.7
Total debt/OPBDIT (times)	4.3	2.7	2.9	0.8	1.8
Interest coverage (times)	2.4	3.9	3.0	13.5	11.0

PAT: Profit after tax; OPBDIT: Operating profit before depreciation, interest, taxes and amortisation; Amount in Rs. crore

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 Vets Private Limited, Utkal Feeds Private Limited, ICRA Research

Status of non-cooperation with previous CRA: Not Applicable

Any other information: None

Rating history for past three years

Instrument	Type	Amount rated (Rs. crore)	Current rating (FY2024)		Chronology of rating history for the past 3 years				
			Amount outstanding as on Mar 31, 2023 (Rs. crore)	Date & rating in FY2024		Date & rating in FY2023	Date & rating in FY2022	Date & rating in FY2021	
				Oct 11, 2023	Jun 12, 2023	Apr 7, 2022	-	Mar 31, 2021	Jul 7, 2020
1 Fund-based working capital facilities	Long Term	13.00	11.73	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	-	[ICRA]A (Stable)	[ICRA]A (Negative)
2 Term Loan	Long Term	3.50	1.08	[ICRA]A (Stable)	[ICRA]A (Stable)	[ICRA]A (Stable)	-	[ICRA]A (Stable)	[ICRA]A (Negative)
3 Non-fund based working capital facilities	Long Term/ Short Term	1.00	-	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	-	-	-	-
4 Unallocated Limits	Long Term/ Short Term	3.50	NA	[ICRA]A (Stable)/ [ICRA]A1	[ICRA]A (Stable)/ [ICRA]A1	-	-	-	-

Complexity level of the rated instruments

Instrument	Complexity Indicator
Long-term fund-based – Working Capital	Simple
Long-term fund-based – Term Loan	Simple
Long-term/ Short-term non-fund based – Working Capital	Very 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
-	Cash Credit/ WCDL/ FCDL	-	-	-	13.00	[ICRA]A (Stable)
-	Term Loan	June 2023	-	March 2029	3.50	[ICRA]A (Stable)
-	Bank Guarantee	-	-	-	1.00	[ICRA]A (Stable)/ [ICRA]A1
-	Unallocated Limits	-	-	-	3.50	[ICRA]A (Stable)/ [ICRA]A1

Source: C. L. Enterprises 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	CLEPL's Ownership	Consolidation Approach
Galsi Commercial Farms LLP	-	Full Consolidation
Infinity Feeds Private Limited	-	Full Consolidation
Shalimar Hatcheries Limited	12.17%	Full Consolidation
Shalimar Nutrients Private Limited	2.33%	Full Consolidation
Shalimar Pellet Feeds Limited	15.72%	Full Consolidation
Sona Vets Private Limited	30.00%	Full Consolidation
Utkal Feeds Private Limited (Subsidiary of Shalimar Pellet Feeds 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 Vets Private Limited, 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).

ANALYST CONTACTS

Mr. Jayanta Roy
+91 33 7150 1120
jayanta@icraindia.com

Mr. Kaushik Das
+91 33 7150 1104
kaushikd@icraindia.com

Mr. Sujoy Saha
+91 33 7150 1184
sujoy.saha@icraindia.com

Mr. Sandipan Kumar Das
+91 33 7150 1190
sandipan.das@icraindia.com

RELATIONSHIP CONTACT

Mr. L. Shivakumar
+91 22 6114 3406
shivakumar@icraindia.com

MEDIA AND PUBLIC RELATIONS CONTACT

Ms. Naznin Prodhani
Tel: +91 124 4545 860
communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)
info@icraindia.com

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ICRA Limited



Registered Office

B-710, Statesman House, 148, Barakhamba Road, New Delhi-110001
Tel: +91 11 23357940-45



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