

Golden Feeds

April 01, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	-	-	Rating continues to remain under ISSUER NOT COOPERATING category; Reaffirmed at CARE B; Stable; ISSUER NOT COOPERATING* and Withdrawn

Details of instruments/facilities in Annexure-1

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has reaffirmed and withdrawn the outstanding ratings of CARE B; Stable; ISSUER NOT COOPERATING (Single B; Outlook: Stable; ISSUER NOT COOPERATING) assigned to the bank facilities of Golden Feeds (GF) with immediate effect. The above action has been taken at the request of GF along with No Objection Certificate received from the bank that has extended the facilities rated by CARE Ratings Ltd.

The ratings assigned to the bank facilities of GF continue to remain constrained on account of modest scale of operations with low profitability, leveraged capital structure with weak debt coverage indicators and partnership nature of the entity. However, the ratings derive strength from Extensive experience of promoters in poultry and poultry related business and Part of Golden Group with healthy financial risk profile and continued support in the form of unsecured loans.

Analytical approach: Standalone

Outlook: Stable

Detailed description of the key rating drivers:

At the time of last rating dated January 27, 2025, the following were the rating strengths and weaknesses (updated based on information available from client).

Key Weaknesses

Modest scale of operations with low profitability

During FY24, the scale of operation as marked by total operating income(TOI) GF although grew by 15.28% over previous year but was modest at Rs. 161.59 crores, compared to Rs. 140.16 crores in FY23. Further, The PBILDT margin remained low at 1.64% in FY24 compared to 1.59% in the previous year owing to a higher cost of materials consumed as well as high sales discounts. The major raw materials are agro products which include Maize and Soybean. The prices of these commodities are affected by factors such as changes in weather conditions, monsoon, production levels, etc., exposing the firm to raw material price volatility risk. However, the PAT margin declined to 0.58% in FY24 from 0.97% in FY23, primarily due to increased interest costs. Further, The margins are low since the entire sales are made to group firms. Further, capital base also was modest at Rs.6.88 crore as on March 31, 2024

Leveraged capital structure with weak debt coverage indicators

Capital structure of GF continue to remined leveraged on account of high overall debt vis-à-vis modest networth base. Thus, overall gearing ratio stood at of 5.81x as on March 31, 2024 as against 4.71x as on March 31, 2023. Further, the GF debt coverage indicators have deteriorated as a result of higher overall debt and related interest costs. Thus, the interest coverage ratio deteriorated to 2.56x during FY24 as compared to 4.00x during FY23 and TD/GCA ratio also moderated to 20.73 years as on March 31, 2024 as compared to 11.67 years years on March 31, 2023.

Partnership nature of the entity

GF's constitution as a partnership firm has the inherent risk of possibility of withdrawal of the partners' capital at the time of personal contingency and firm being dissolved upon the death/retirement/insolvency of partner(s).

¹Complete definition of ratings assigned are available at www.careedge.in and other CARE Ratings Limited's publications.

Key Strengths

Extensive experience of promoters in poultry and poultry related business

Mr Pasha, partner of the firm is a first-generation entrepreneur and has more than three decades of experience (since 1987) in the poultry industry. Mr. Syed Fahad, son of Mr Pasha, has been actively involved in the poultry business since 2003. Mr Syed Fahad is also the promoter of Golden Hatcheries, Standard Farms which are into poultry business and director of Green Energy Wind Corporation P Ltd which is involved in execution of renewable projects. The management is further supported by a team of qualified and experienced professionals.

Part of Golden Group with healthy financial risk profile and continued support in the form of unsecured loans

The Golden group's operations are integrated covering most of the poultry value chain from rearing of the parent birds, hatching of eggs, broiler breeding and chicken meat processing. As part of backward integration, the group established Golden Feeds to manufacture poultry feeds. Golden Hatcheries is the flagship firm under the group and the entire feed produced by GF is consumed captively by the group firms. The partners have brought in unsecured loans worth Rs. 4.24crore during FY24.

Applicable criteria

[CARE Ratings' Policy on Withdrawal of Ratings](#)

[CARE Ratings' Criteria on Information Adequacy Risk and Issuer Non-Cooperation](#)

[CARE Ratings' Policy on Default Recognition](#)

[Criteria on Assigning 'Outlook' or 'Rating Watch' to Credit Ratings](#)

[Financial ratios – Non-Financial Sector](#)

[Rating Methodology - Manufacturing Companies](#)

About the firm

Golden Feeds (GF), part of Golden Group, is engaged in the manufacturing of poultry feeds. GF is a partnership entity with Mr Kamal Pasha and Mr Syed Fahad as partners with 50:50 profit sharing ratio. Golden Group covers the entire spectrum of poultry which includes rearing of parent chicks, production and sale of hatching eggs, broiler breeding and manufacturing of processed chicken through three of its proprietorship concerns. The entire sales of GF is to its Group concerns particularly Golden Fresh and Golden Hatcheries.

Brief Financials (₹ crore)	March 31, 2019 (UA)	March 31, 2020(UA)	March 31, 2021 (UA)	March 31, 2022 (UA)	March 31, 2023 (UA)	March 31, 2024 (UA)
Total operating income	82.65	104.96	106.70	88.86	140.16	161.59
PBILDT	2.78	1.60	3.22	1.09	2.23	2.65
PAT	1.92	-0.59	0.48	0.29	1.35	0.94
Overall gearing (times)	4.48	7.68	4.74	5.74	4.71	5.81
Interest coverage (times)	8.15	3.46	4.34	1.53	4.00	2.56

UA-Unaudited; Note: 'the above results are latest financial results available'

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Covenants of rated instrument / facility: Annexure-3

Complexity level of various instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	0.00	Withdrawn
Fund-based - LT-Term Loan		-	-	March 2025	0.00	Withdrawn

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING (01-Apr-25) 2)CARE B; Stable; ISSUER NOT COOPERATING (27-Jan-25)	1)CARE B+; Stable; ISSUER NOT COOPERATING (02-Jan-24)	1)CARE BB-; Stable; ISSUER NOT COOPERATING (24-Nov-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING (21-Sep-21)
2	Fund-based - LT-Cash Credit	LT	-	-	1)CARE B; Stable; ISSUER NOT COOPERATING (01-Apr-25) 2)CARE B; Stable; ISSUER NOT COOPERATING (27-Jan-25)	1)CARE B+; Stable; ISSUER NOT COOPERATING (02-Jan-24)	1)CARE BB-; Stable; ISSUER NOT COOPERATING (24-Nov-22)	1)CARE BB; Stable; ISSUER NOT COOPERATING (21-Sep-21)

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not Applicable**Annexure-4: Complexity level of instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple

Annexure-5: Lender details

To view the lender wise details of bank facilities please [click here](#)

Note on complexity levels of rated instruments: CARE Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

Contact Us

Media Contact Mradul Mishra Director CARE Ratings Limited Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in	Analytical Contacts Shachee Nakul Vyas Assistant Director CARE Ratings Limited Phone: 079-40265665 E-mail: shachee.tripathi@careedge.in
Relationship Contact Ankur Sachdeva Senior Director CARE Ratings Limited Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Aniket Shringarpure Lead Analyst CARE Ratings Limited Phone: 079-40265659 E-mail: aniket.shringarpure@careedge.in
	Aayushi Bhavsar Associate Analyst CARE Ratings Limited E-mail: Aayushi.bhavsar@careedge.in

About us:

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