

Dimond Agrovet

August 07, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	14.17	CARE BB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of Dimond Agrovet (DA) is constrained by its small scale of operation, moderate capital structure of the firm and ongoing project risk. The rating further takes into consideration the partnership nature of business which exposes the entity to the risk of capital withdrawal from the system. Additionally, fragmented nature of poultry industry exposes the firm to high level competition.

The aforementioned weaknesses get partially offset with experience of the partners in the poultry industry along with commencement of production of the poultry feed unit which is expected to lead to improvement in scale of operations in near future, albeit risks arising due to initial stages of operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Improve in scale of operation above Rs 70.00 crores while maintaining its PBILDT margin at around current levels on a sustained basis.
- Improvement in capital structure, marked by overall gearing below 1.5x on a sustained basis.

Negative factors

- Decrease in turnover below current levels on a sustained basis.
- Any further un-envisaged debt laden capex leading to moderation in capital structure with gearing above 3x on a sustained basis.

Analytical approach: Standalone

Outlook: Stable.

The stable outlook on the long-term rating reflects the ability of the firm to scale up its operation as envisaged while improving its financial health in medium term.

Detailed description of key rating drivers:

Key weaknesses

Small scale of operation

The overall scale of operation of DA remained small albeit improvement over the years. Total Operating Income (TOI) grew at a compounded annual growth rate (CAGR) of 14.41% in last 5 years ended FY25. TOI was recorded at Rs. 22.41 crore in FY25, showing a 79% y-o-y growth, on account of improvement in sales realisation, whereas the sales volume remained stable. The firm has also reported TOI of Rs 4.59 crore in Q1FY26.

DA has modest network base, which stood at Rs 5.12 crore as on March 31, 2025. DA's operating profitability exhibited a stable trend with a profit before interest, lease rentals, depreciation, and taxation (PBILDT) margin within the range of 5-8% in the past three years ended FY25.

Going forward, scale of operations are expected to grow on account of newly commissioned poultry feed unit from June'25.

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

Risk associated with partnership nature of constitution

The firm is susceptible to the risk of withdrawal of partner's capital due to its partnership nature of constitution which might adversely affect the debt protection metrics of the firm or inhibit growth potential in near future. However, in last five years ending FY25, there were no net withdrawal of capital by the partners.

Ongoing project risk

The firm has undertaken a project to install battery cages for its poultry unit. The projected cost of the project is around Rs 4.50 crore, which will be funded by around Rs 2.00 crores of bank borrowing and rest through internal accruals. The advanced cages are expected to reduce the mortality rate, reduce the rejection rate and will prevent disease outbreak, which will improve the production for the poultry unit. The project has started from Q2FY26 and expected completion of the project is around December'25.

Moderate capital structure and debt coverage indicators

The entity's capital structure stood at a moderate level, marked by an overall gearing of 2.1x as on March, 31, 2025 (1.21x as on March, 31, 2024). Its debt profile largely comprises of term loan taken for Poultry Feed Project amounting Rs 5.60 crore and working capital borrowings. Going forward, the capital structure is expected to remain at a similar level with further infusion of term loans for the installation of electric cages during FY26.

Debt coverage indicators also stood moderate, as marked by PBILDT interest coverage of 2.68x in FY25 (2.7x in FY24) and a high total debt to GCA (TD/GCA) of 11.94x in FY25 (6.48x in FY24).

Fragmented Nature of poultry sector

The Indian poultry industry remains largely fragmented, with a significant portion dominated by small-scale, unorganized producers. These independent operators often lack access to modern technology, standardized farming practices, and efficient supply chains—factors that contribute to inconsistent product quality and limited scalability.

Despite these challenges, certain regions have witnessed the rise of integrated poultry operations, which streamline breeding, feed production, and processing under unified management. However, such models are still the exception rather than the norm. The absence of uniform regulations and inadequate infrastructure further complicate operations across the sector, leaving many producers vulnerable to market volatility and environmental disruptions. Yet, a gradual shift is underway. Driven by rising consumer demand, technological innovation, and the growing popularity of contract farming, the industry is slowly moving toward greater organization and consolidation.

Key strengths**Experienced Partners**

DA is promoted by Sri Santosh Kumar Pradhan, the Managing Partner, who brings an extensive industry experience. He is responsible for overseeing the overall operations of the firm. Other partner of the firm Smt. Tapati Rani Pradhan possesses valuable experience in the efficient management of the feed plant, hatchery, and breeding farm. She plays a key role in supervising and coordinating the day-to-day operations across these units.

Commencement of operation of the poultry feed unit, albeit initial stages of operation

DA has successfully completed installation of its Poultry Feed unit with capacity of 57,600 MTPA and operation has started from June'25. The cost of project was around Rs 9.00 crores, out of which Rs 5.60 crore has been sanctioned from bank and rest was through internal accruals and partner's infusion. The feed unit is expected to boost the revenue of the firm significantly from FY26 onwards.

Liquidity : Adequate

Liquidity of the firm is adequate, marked by comfortable GCA level to serve debt repayment obligation. During FY26, the firm has debt repayment obligation of Rs 0.57 crore, which is expected to be met comfortably from the expected cash accruals. The partners also infuses fund in the system in case of any requirement.

DA generally provides its clients a credit period of 1 month. The working capital limit has around 90% average maximum utilisation, for the 12 months period ending June'25.

Applicable criteria

[Definition of Default](#)

[Liquidity Analysis of Non-financial sector entities](#)

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)
[Financial Ratios – Non financial Sector](#)

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Meat Products including Poultry

Dimond Agrovet, based in Mayurbhanj, Odisha, was established in 2005. Initially founded as a proprietorship, the company later transitioned into a partnership firm. Dimond Agrovet specializes in the production of high-quality hatching eggs and coloured chicks from around 60,000 parent birds, which it owns. Expanding its operations, Dimond Agrovet has also set up a dedicated poultry feed production unit, further strengthening its presence in the poultry industry. It has installed capacities of 57,600 MTPA for Poultry Feed and 165,56,400 units per annum for Hatching Eggs and Chicks as on June 30, 2025. DA has its office in Mayurbhanj, Orissa and the manufacturing facilities are located in Sugo and Nakichua respectively in the state of Odisha.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (UA)
Total operating income	12.53	22.41
PBILDT	1.03	1.57
PAT	0.06	0.19
Overall gearing (times)	1.21	2.10
Interest coverage (times)	2.70	2.68

A: Audited UA: Unaudited; Note: these are latest available financial results

Status of non-cooperation with previous CRA: Not Applicable.

Any other information: Not Applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	4.95	CARE BB-; Stable
Fund-based - LT-Term Loan		-	-	July 2031	9.22	CARE BB-; Stable

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 2025-2026	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
1	Fund-based - LT-Term Loan	LT	9.22	CARE BB-; Stable				
2	Fund-based - LT-Cash Credit	LT	4.95	CARE BB-; Stable				

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 detailsTo 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.

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