Manikyam Poultry Farm

July 03, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long Term Bank Facilities	56.37 (Reduced from 62.00)	CARE B; Stable	Rating removed from ISSUER NOT COOPERATING category and reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of various financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-6.

Rationale and key rating drivers

CARE Ratings Limited (CareEdge Ratings) had earlier placed the ratings of the bank facilities of Manikyam Poultry Farm (MPF) under Issuer Not Cooperating (INC) as the firm did not provide the information for monitoring the ratings. The firm has subsequently provided the requisite information for carrying out a review of the ratings, and accordingly, the rating has been removed from INC.

The rating assigned to MPF continues to be constrained by its modest scale of operations, thin profitability margins, and working capital–intensive nature of operations. The liquidity position remains stretched, characterized by weak cash accruals vis-à-vis repayment obligations and high inventory holding levels. The rating is further impacted by deterioration in capital structure due to debt-funded capital expenditure, resulting in elevated leverage and weak debt coverage indicators. The credit profile is also exposed to significant customer concentration risk and inherent risks in the poultry industry, including price volatility and disease outbreaks.

However, the rating derives comfort from the significant scale-up in operations in FY26, driven by successful completion of capacity expansion, along with improvement in operating margins. Further comfort is drawn from experienced promoters and established relationships with customers and suppliers, which provide operational stability and support revenue visibility.
While these factors are expected to support revenue growth and margin stability in the near to medium term, the overall credit profile remains sensitive to improvement in profitability, moderation in working capital intensity, and reduction in leverage levels.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors: Factors that could individually or collectively lead to positive rating action/upgrade:

- Total operating income of more than Rs. 150 Cr and improvement in DSCR to above 1.05x.

Negative factors: Factors that could individually or collectively lead to negative rating action/downgrade:

- Further deterioration in capital structure with overall gearing more than 4.5x times
- Deline in scale of operations below Rs. 80 crores on a sustained basis.

Analytical approach: Standalone

Outlook: Stable

The Stable outlook reflects CareEdge Ratings' expectation that MPF will continue to benefit from improved scale of operations post completion of its capacity expansion, leading to steady revenue growth and stable operating performance. It also factors in the promoters' experience and established customer relationships, which are expected to support sustained operations.

Detailed description of key rating drivers:

Key weaknesses:

Leveraged capital structure post debt-funded expansion

MPF's capital structure has witnessed deterioration post completion of its debt-funded expansion project, with total debt increasing sharply to ₹55.72 crore as on March 31, 2026 (₹31.20 crore as on March 31, 2025). This has resulted in an increase in overall gearing to 2.02x as on March 31, 2026, reflecting higher leverage and increased financial risk. Although the capex has supported

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

scale expansion, the elevated debt levels continue to exert pressure on solvency metrics and constrain the firm's financial risk profile in the near term. Consequently, debt protection metrics remain weak, with total debt to gross cash accruals (TD/GCA) at elevated levels (18.6x), indicating limited financial flexibility
Sustained improvement in earnings and controlled debt levels will be key to moderation in leverage over the medium term.

Working capital intensity and exposure to business risks
MPF operates in a highly working capital-intensive segment characterised by bulk procurement of key feed inputs such as maize, soya and rice broken during harvest seasons to benefit from price arbitrage. This has resulted in substantial inventory holding of around 7,000–10,000 tons, leading to an elongated operating cycle and significant blockage of funds in inventory. While this strategy supports cost optimization over the long term, it exposes the firm to inventory price risk, increases dependence on working capital funding and adversely impacts liquidity. The company has a concentrated customer profile with approximately 45% of total sales derived from two key customers under annual off-take agreements. The ability to manage inventory levels, diversify the customer base and withstand industry volatility will remain critical for sustaining operational stability over the medium term.

Partnership nature of business
MPF being a partnership firm has the inherent risk of succession plan and the possibility of withdrawal of capital at the time of personal contingency, which can affect the capital structure. The firm has low net worth of Rs. 27.57 crores as on March 31 ,2026, thus restricting the financial flexibility.

Vulnerability of the industry’s performance to outbreaks of flu and other diseases
Avian flu outbreaks such as bird flu can lead to drastic fall in demand followed by crash in poultry prices. At the time of outbreak of the coronavirus, the poultry industry was impacted in the major chicken consuming states. Such scenario could pressurize the company’s revenue flows as well as profitability.

Key strengths

Improved scale and operating performance post expansion
MPF has reported a substantial increase in scale of operations with total operating income (TOI) rising sharply to ₹101.40 crore in FY26 from ₹71.75 crore in FY25, driven by successful completion and operationalisation of its expanded capacity. The firm has demonstrated improvement in operating efficiency with profit before interest, lease rentals, depreciation, and taxation (PBILDT) margins improving to 8.38% in FY26 from 4.86% in FY25. However, overall profitability remains moderate, with profit after tax (PAT) margins of around 1.18%. While scale and operating margins are expected to sustain in the near term, improvement in net profitability will depend on stable realizations and input cost management.

Extensive experience of partners in the poultry business
Manikyam Poultry Farm is a partnership firm established in the year 2007 by Mr. I. Siva Koti Reddy, K.Rama Mohan Rao and others. Mr. I Siva Koti Reddy and Mr. K.Rama Mohan Rao both have over two decades of experience in the poultry business. Due to long term presence in the market, firm has established relations with customers and suppliers.

Liquidity: Stretched

The liquidity position of MPF remains stretched, characterized by modest gross cash accruals (GCA) of ₹3 crore vis-à-vis higher repayment obligations of ₹5.4 crore, resulting in a structural funding gap. Cash flows from operations were negative in FY26, primarily due to high inventory build-up under its bulk procurement strategy, while cash balances remain low, further constraining liquidity. The company relies on efficient inventory liquidation cycles, steady advance-based sales inflows, and promoter support to meet its debt obligations. However, high working capital intensity continues to constrain liquidity flexibility.
The liquidity profile is expected to remain stretched in the near term, with improvement contingent upon better inventory management and higher internal accrual generation.

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

Manikyam Poultry Farm (MPF) is a partnership firm established in the year 2007 by Mr. I. Siva Koti Reddy, K.Rama Mohan Rao and others. The firm is engaged in farming of egg, laying poultry birds (chickens) and trading of eggs, cull birds, and their manure. The firm sells its products such as eggs and cull birds to retailers mainly in the cities of Mumbai, Goa, Belgaum, and Bangalore.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)
Total operating income	71.75	101.40
PBILDT*	3.49	8.50
Profit after tax (PAT)	0.40	1.19
Overall gearing (x)	1.37	2.02
Interest coverage (x)	1.59	1.61

A: Audited UA: Unaudited; Note: these are latest available financial results
*PBILDT: Profit before interest, lease rentals, depreciation and tax

Status of non-cooperation with previous CRA: Brickwork Ratings has continued the rating assigned to the bank facilities of MPF into ISSUER NOT COOPERATING category vide press release dated June 20, 2025, on account of its inability to carry out a review in the absence of requisite information from the firm.

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	-	-	-	-	21.25	CARE B; Stable
Fund-based - LT-Term Loan	-	-	-	June 15, 2032	35.12	CARE B; 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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	21.25	CARE B; Stable	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (11-Dec-25)	1)CARE B+; Stable (04-Dec-24)	1)CARE B+; Stable (26-Dec-23) 2)CARE D; ISSUER NOT COOPERATING* (08-Aug-23)
2	Fund-based - LT-Term Loan	LT	35.12	CARE B; Stable	-	1)CARE B; Stable; ISSUER NOT COOPERATING* (11-Dec-25)	1)CARE B+; Stable (04-Dec-24)	1)CARE B+; Stable (26-Dec-23)

*Issuer did not cooperate; based on best available information.
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 lender-wise details of bank facilities please click here

Annexure-6: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI

[2]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), among others. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.

^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.

There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.

@ These ratings were assigned in regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026, and the investor side regulators have accordingly been included.

Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of rated instruments: CareEdge 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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