



**Press Release**  
**GOVIND MILK AND MILK PRODUCTS PRIVATE LIMITED**  
**June 02, 2025**  
**Rating Assigned and Upgraded**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	14.31	ACUITE BBB   Stable   Assigned	-
Bank Loan Ratings	168.00	ACUITE BBB   Stable   Upgraded	-
Total Outstanding Quantum (Rs. Cr)	182.31	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has upgraded the long-term rating to '**ACUITE BBB**' (read as **ACUITE triple Bf**) from '**ACUITE BBB-**' (read as **ACUITE triple B minus**) on the Rs.168.00 crore bank facilities of Govind Milk and Milk Products Private Limited (GMPL). The outlook is '**Stable**'.

Acuite has assigned the long-term rating of '**ACUITE BBB**' (read as **ACUITE triple Bo**) on the Rs.14.31 crore bank facilities of Govind Milk and Milk Products Private Limited (GMPL). The outlook is '**Stable**'.

**Rationale for rating**

The rating upgradation considers augmentation in operating performance, established track record of operations in the dairy products industry along with extensive experience of the promoters, its strong regional presence and efficient working capital operations. The rating also draws strength from comfortable financial risk profile and adequate liquidity of the company. However, these strengths are partly offset by susceptibility to changes in government regulations, environmental conditions, exposure to geographical concentration risk and presence in a highly competitive industry.

**About the Company**

Based in Phaltan Maharashtra, Govind Milk and Milk Products Private Limited (GMPL) was incorporated in 1996 by Mr. Sanjeevraje Naik Nimbalkar. It is engaged in milk processing, production and marketing of dairy products. The company has facilities based in Phaltan, Yamkanmardi and Mumbai with a processing capacity of 10 lakh litres per day (LLPD).

**Unsupported Rating**

Not applicable

**Analytical Approach**

Acuite has considered the standalone view of the business and financial risk profile of GMPL to arrive at the rating.

**Key Rating Drivers**

**Strengths**

**Established player in dairy products with a strong regional presence**

GMPL, led by Mr. Sanjeevraje Naik Nimbalkar, has been operating in the dairy business for over two decades. The company has an established procurement and distribution network for milk and milk products from farmers. GMPL has over 240 collection centres and 10 chilling centres all over India to cater to the demand. GMPL which

has traditionally catered in the Maharashtra, Gujarat, Karnataka and Goa regions backed by a strong brand presence and high demand prospects. Due to increasing consumption of milk products, the company has started marketing its products in Northern and Northeastern states such as Haryana, Punjab, Rajasthan, Tripura, Assam, Meghalaya domestically and in the Middle East region by partnering with hypermarket chains like Lulu from FY2021. GMPL has introduced two new C&F depots in Delhi and Rohtak to capture the entire North India Market. The company exports to Gulf countries like Bahrain, Qatar, Abu Dhabi, Dubai, Oman, etc. under its own brand name. Acuité believes that GMPL will continue to benefit from the company's established presence and brand recognition in the

industry and among the consumers supporting its business risk profile over the medium term with good relationships with the farmers and associations.

### **Augmentation in operating performance**

The company's operating income is increasing Y-O-Y which stood at Rs.1277.76 Cr. in the FY2025 (Prov.) as against Rs 1216.69 Cr. in the FY2024 and Rs 1067.39 Cr. in FY2023 registering the growth of ~5.02 percent. Revenue of the company has increased on account of increase in business volumes. Further GMPL's business risk profile is supported by a diversified revenue stream. Few of them are packaged milk, ghee, curd, tetra pack in various product line, butter, Skimmed milk powder etc. With the growth in the revenue, the company's operating margin has also increased Y-O-Y which stood at 5.05 percent in FY25(Prov.) as against 3.76 percent in FY24 and 2.71 percent in FY2023 on account of addition of value added products like tetra pack with increase in overall volume, expected to continue based on increase in the business and reduction in procurement cost. Further, the PAT margin of the company is also improved which stood at 1.75 percent in FY2025(Prov.) as against 0.83 percent in FY2024 and 0.48 percent in FY2023.

Acuite believes that ability of the company to consistently improve its scale of operations and sustaining its profitability margins will going to remain a key monitorable over the near to medium term.

### **Comfortable financial risk profile**

The financial risk profile of the company remained moderate marked by improved net worth, moderate gearing and debt protection metrics. The tangible net worth of the company stood at Rs 137.20 Cr. as on March 31, 2025 (Prov.) as against Rs 106.60 Cr. as on March 31, 2024 on account of increase in share capital. Further retention of current year profits and security premium on issuance of share capital contributed to reserves of the company led to increase in the tangible net worth. The total outstanding debt as on March 31, 2025 (Prov.) stood at Rs 188.83 Cr. which consist of long-term debt of Rs 57.32 Cr. (i.e. term loan from bank of Rs 42.83 Cr. and finance lease of Rs 14.49 Cr), unsecured loan from financial institutional of Rs 5.95 Cr, working capital limit of Rs 104.11 Cr. and current portion of long-term debt including finance lease obligations of Rs 21.45 Cr. The gearing of the company stood at 1.38 times as on March 31, 2025 (Prov.) as against 1.87 times as on March 31, 2024.

Total Outside Liabilities /Tangible net worth (TOL/TNW) improved which stood at 2.26 times as on March 31, 2025 (Prov.) as against 2.93 times as on March 31, 2024. Further, the debt protection metrics also improved marked by interest coverage ratio (ICR) of 3.40 times and Debt Service Coverage Ratio (DSCR) at 1.43 times as on March 31, 2025 (Prov.) as against 2.53 times and 1.18 times respectively as on March 31, 2024. Acuite believes that the financial risk profile of the company will improve on account of steady net cash accruals with no major debt funded capex plans.

### **Efficient working capital management**

The working capital management of the company is efficient marked by comfortable gross current asset (GCA) of 72 days as on March 31, 2025 (Prov.) as compared to 69 days as on March 31, 2024. The comfortable GCA are on account of low debtors of 9 days for FY2025(Prov.) and FY2024 and moderate inventory days of 41 days for FY2025 (Prov.) as against 48 days for FY2024. The creditor days of the company improved which stood at 21 days for FY2025 (Prov.) as against 24 days for FY2023. Further, the working capital limits have been utilised at around 88.80 percent in the last eleven months ended February 2025. Acuite believes that the working capital operations of GMPL will remain efficient over the medium term as evident from efficient collection mechanism and moderate inventory holding.

### **Weaknesses**

#### **Susceptibility to changes in government regulations, environmental conditions and milk prices.**

GMPL, like all dairy players, is susceptible to government regulations such as ban on skimmed milk powder (SMP) exports and removal of export incentives. Furthermore, it is susceptible to failure in milk production because of external factors such as cattle diseases. At the same time, it is also susceptible to volatile milk prices, but GMPL can transfer the prices to the consumer and thus mitigating the risk to that extend.

### **Highly competitive industry**

The dairy industry is highly fragmented with large number of unorganised players. The company also faces competition from some of the big players such as Amul, Parag, Karnataka Milk Federation, among others in the organised segment. While the dairy segment has attracted significant PE investments in the past, which has supported the companies in the segment, it has also increased the competitive intensity among the players. This limits the company's ability to significantly improve the margins. Also, ensuring competitive remuneration to the farmers for procurement of milk would be a key sensitivity for maintaining a steady supply chain.

### **Rating Sensitivities**

- Consistent growth in the scale of operations along with improving profitability margins

- Change in financial risk profile
- Deterioration in working capital cycle

### **Liquidity Position**

#### **Adequate**

The company's liquidity is adequate marked by steady net cash accruals of Rs 36.74 Cr. as on March 31,2025 (Prov.) as against the long-term debt repayment of Rs 19.86 Cr. for the same period. The current ratio of the company improved which stood comfortable at 1.16 times as on March 31,2025 (Prov.). Further the company maintained unencumbered cash and cash equivalents balances of Rs 31.22 Cr. as on March 31,2025 (Prov.). Further, the working capital limits have been utilised at around 88.80 percent in the last eleven months ended February 2025.

#### **Outlook: Stable**

#### **Other Factors affecting Rating**

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	1277.76	1216.69
PAT	Rs. Cr.	22.42	10.04
PAT Margin	(%)	1.75	0.83
Total Debt/Tangible Net Worth	Times	1.38	1.87
PBDIT/Interest	Times	3.40	2.53

**Status of non-cooperation with previous CRA (if applicable)**

Not applicable

**Interaction with Audit Committee anytime in the last 12 months (applicable for rated-listed / proposed to be listed debt securities being reviewed by Acuite)**

**Not applicable**

**Any other information**

None.

## Applicable Criteria

- Default Recognition :- <https://www.acuite.in/view-rating-criteria-52.htm>
- Manufacturing Entities: <https://www.acuite.in/view-rating-criteria-59.htm>
- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>

## Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuité has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on [www.acuite.in](http://www.acuite.in).

## Rating History

Date	Name of Instruments/Facilities	Term	Amount (Rs. Cr)	Rating/Outlook
18 Mar 2024	Cash Credit	Long Term	95.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.86	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	11.89	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	20.41	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.23	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	22.02	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.59	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	6.41	ACUITE BBB-   Stable (Assigned)
	Proposed Long Term Bank Facility	Long Term	0.59	ACUITE BBB-   Stable (Assigned)
31 Jan 2024	Term Loan	Long Term	22.02	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.86	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.23	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	11.89	ACUITE BBB-   Stable (Reaffirmed)
	Cash Credit	Long Term	95.00	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	20.41	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	0.59	ACUITE BBB-   Stable (Reaffirmed)
	Term Loan	Long Term	5.00	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	1.54	ACUITE BBB- (Reaffirmed & Withdrawn)
	Term Loan	Long Term	2.06	ACUITE BBB- (Reaffirmed & Withdrawn)
	Term Loan	Long Term	1.17	ACUITE BBB- (Reaffirmed & Withdrawn)
	Term Loan	Long Term	1.82	ACUITE BBB- (Reaffirmed & Withdrawn)
	Term Loan	Long Term	1.48	ACUITE Not Applicable (Withdrawn)
	Term Loan	Long Term	0.93	ACUITE Not Applicable (Withdrawn)
24 May 2023	Term Loan	Long Term	20.41	ACUITE BBB-   Stable (Reaffirmed (Positive to Stable))
	Proposed Long Term Bank Facility	Long Term	0.59	ACUITE BBB-   Stable (Reaffirmed (Positive to Stable))
	Term Loan	Long Term	1.48	ACUITE BBB-   Stable (Reaffirmed (Positive to Stable))
	Term Loan	Long Term	0.93	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	6.40	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	23.84	ACUITE BBB-   Stable (Assigned)

	Cash Credit	Long Term	68.25	ACUITE BBB-   Stable (Reaffirmed (Positive to Stable))
	Cash Credit	Long Term	26.75	ACUITE BBB-   Stable (Assigned)
	Term Loan	Long Term	2.40	ACUITE BBB-   Stable (Reaffirmed (Positive to Stable))
	Term Loan	Long Term	13.95	ACUITE BBB-   Stable (Reaffirmed (Positive to Stable))
29 Apr 2022	Proposed Long Term Bank Facility	Long Term	5.80	ACUITE BBB-   Positive (Reaffirmed (Stable to Positive))
	Cash Credit	Long Term	68.00	ACUITE BBB-   Positive (Reaffirmed (Stable to Positive))
	Term Loan	Long Term	2.98	ACUITE BBB-   Positive (Reaffirmed (Stable to Positive))
	Term Loan	Long Term	4.50	ACUITE BBB-   Positive (Reaffirmed (Stable to Positive))
	Term Loan	Long Term	8.26	ACUITE BBB-   Positive (Reaffirmed (Stable to Positive))
	Term Loan	Long Term	0.59	ACUITE BBB-   Positive (Reaffirmed (Stable to Positive))
	Term Loan	Long Term	16.95	ACUITE BBB-   Positive (Reaffirmed (Stable to Positive))

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
Bank of Maharashtra	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	110.00	Simple	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	0.59	Simple	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	25 Nov 2031	3.26	Simple	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	23 Feb 2028	7.11	Simple	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	20 Jan 2030	15.75	Simple	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	29 May 2027	3.36	Simple	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	28 Jun 2029	16.43	Simple	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	16 Nov 2030	11.50	Simple	ACUITE BBB   Stable   Upgraded ( from ACUITE BBB- )
Bank of Maharashtra	Not avl. / Not appl.	Term Loan	Not avl. / Not appl.	Not avl. / Not appl.	25 Nov 2031	14.31	Simple	ACUITE BBB   Stable   Assigned



## Contacts

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