



**Press Release**  
**CONTINENTAL MILKOSE INDIA LIMITED**  
**September 02, 2025**  
**Rating Assigned**

Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Bank Loan Ratings	72.74	ACUITE BBB-   Stable   Assigned	-
Bank Loan Ratings	25.00	-	ACUITE A3   Assigned
Total Outstanding Quantum (Rs. Cr)	97.74	-	-
Total Withdrawn Quantum (Rs. Cr)	0.00	-	-

**Rating Rationale**

Acuite has assigned long term rating of 'ACUITE BBB-' (read as ACUITE triple B minus) on the Rs. 72.74 Cr. bank facilities and short-term rating of 'ACUITE A3' (read as ACUITE A three) on the Rs. 25 Cr. bank facilities of Continental Milkose India Limited. The outlook is 'Stable'.

**Rationale for rating**

The rating takes into account long track record of operations, experienced management and healthy relationship with Government customers, moderate financial risk profile, adequate liquidity; However, these strengths are partly offset by slight decline in revenues albeit increase in operating profitability and intensive working capital cycle.

**About the Company**

Assam based, Continental Milkose India Limited was incorporated in 1992. The company is engaged in the manufacturing of Dairy and Milk Products, Ready to Eat Food, Malted Foods and food ingredients (90.04 percent of revenue contribution) and also trading of food products (9.96 percent of revenue contribution). Additionally, the company also exports to UK. The company has an installed capacity of 30,000 MT per annum for manufacturing ready to eat products and 8100 MT per annum for manufacturing malt based food products. The directors of the company are Mr. Deepak Agarwal, Ms. Deepa, Mr. Anuj Jain and Mr. Punit Singh.

**Unsupported Rating**

Not Applicable

**Analytical Approach**

Acuite has taken standalone business and financial risk profile of Continental Milkose India Limited to arrive at the rating

**Key Rating Drivers**

**Strengths**

**Benefits derived from promoters and strong clientele base**

The directors of the company are Mr. Deepak Agarwal, Ms. Deepa, Mr. Anuj Jain and Mr. Punit Singh. The promoters experience is about three decades in the food and nutrition industry, enabling the company to execute the operations effectively. The company has a strong customer base, with the majority of its products supplied to Central and State Government agencies. The company has been associated with government for the past 15 to 20 years providing long-term revenue visibility. Acuite believes that the benefits derived from promoters and relationship with Government agencies will augment the business going forward.

**Steady business risk profile in revenues**

The revenues have slightly declined to Rs. 266.89 Cr. as on March 31, 2025(Prov.) as compared to Rs. 272.48 Cr.

as on March 31, 2024 on account decrease in sales volume of ready to eat products. The operating profitability margins have increased to Rs. 7.03 percent as on March 31, 2025(Prov.) as compared to 6.76 percent as on March 31, 2024 on account of decrease in selling and administrative costs. The order book position of the company stood at Rs. 247.33 Cr. to be executed within this year. Acuite believes that the scale of operations and margins will improve in the near to medium term on account of revenue visibility from the current order book.

#### **Moderate financial risk profile**

The financial risk profile of the company is moderate marked by improving net worth, moderate gearing and debt protection metrics. The adjusted tangible net worth of the company stood at Rs. 99.74 Cr. as on March 31, 2025(Prov.) as compared to Rs. 86.21 Cr. as on March 31, 2024 due to accretion to reserves and quasi equity. Acuite has considered unsecured loans of Rs. 12 Cr. as quasi equity as the same has been subordinated to bank loans. The adjusted gearing of the company stood at 0.59 times as on March 31, 2025 (Prov.) as compared to 1.07 times as on March 31, 2024. The Total Outside Liabilities/Tangible Net Worth (TOL/TNW) stood at 1.07 times as on March 31, 2025(Prov.) as compared to 1.48 times as on March 31, 2024. The debt protection metrics of the company remain moderate marked by Interest Coverage ratio (ICR) of 3.80 times as on March 31, 2025(Prov.) and debt service coverage ratio (DSCR) of 1.46 times for March 31, 2025(Prov.). The net cash accruals to total debt (NCA/TD) stood at 0.25 times as on March 31, 2025(Prov.) as compared to 0.12 times as on March 31, 2024. Acuite believes that the financial risk profile will remain moderate over the medium term, with steady cash accruals in the absence of any debt funded capex plans.

#### **Weaknesses**

##### **Intensive Working Capital Cycle**

The working capital cycle of the company is intensive as reflected by Gross Current Assets (GCA) of 182 days for March 31, 2025(Prov.) as compared to 211 days for March 31, 2024. The debtor period stood at 86 days as on March 31, 2025 (Prov.) as compared to 149 days as on March 31, 2024. The debtor days have lessened because Government entities have started providing partial advance payments against bank guarantee, and typically, payments are received within 80-85 days from order execution. Further, the inventory days of the company stood at 80 days as on March 31, 2025 (Prov.) as compared to 47 days in FY2024. The year end inventory was high on account of an order received in the month of February 2025 pending execution. The creditors stood at 14 days as on March 31, 2025(Prov.) as compared to 51 days as on March 31, 2024 due to management's efforts to bring down credit from supplier period to about 30 days to better manage the working capital cycle. Acuite believes that the working capital operations of the company will improve over the medium term due to efficient collection mechanism and expected improvement in inventory policy.

#### **Rating Sensitivities**

Movement in revenues and operating profitability  
Working Capital Cycle

#### **Liquidity Position**

##### **Adequate**

The company has adequate liquidity marked by net cash accruals of Rs 14.89 Cr. as on FY2025(Prov.) as against long term debt repayment of Rs. 8.11 Cr. over the same period. The cash and bank balance stood at Rs. 5.91 Cr. as on March 31, 2025(Prov.) and Rs. 11.49 Cr. as on March 31, 2024. Further, the current ratio of the company stood at 2.02 times as on March 31, 2025(Prov.) as compared to 2.32 times as on March 31, 2024. The average bank utilization limit for 6 months ended June 2025 is 54.70 percent. Acuite believes that the liquidity of the company is to remain adequate over the near to medium term on account of steady cash accruals in the absence of any debt funded capex plans.

#### **Outlook: Stable**

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

None

## Key Financials

Particulars	Unit	FY 25 (Provisional)	FY 24 (Actual)
Operating Income	Rs. Cr.	266.89	272.48
PAT	Rs. Cr.	10.15	5.75
PAT Margin	(%)	3.80	2.11
Total Debt/Tangible Net Worth	Times	0.59	1.07
PBDIT/Interest	Times	3.80	2.47

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

CRISIL, vide its press release dated December 17th, 2024 had denoted the rating of Continental Milkose India Limited as 'CRISIL BB/Stable/A4+; REAFFIRMED AND ISSUER NOT CO-OPERATING'

IND-RA vide its press release dated February 11th, 2025 had denoted the rating of Continental Milkose India Limited as 'IND-RA B/Negative/A4; DOWNGRADED AND ISSUER NOT CO-OPERATING'

### 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, Acuite 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:Not Applicable**

## Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Quantum (Rs. Cr.)	Complexity Level	Rating
State Bank of India	Not avl. / Not appl.	Bank Guarantee (BLR)	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUTE A3   Assigned
State Bank of India	Not avl. / Not appl.	Cash Credit	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	25.00	Simple	ACUTE BBB-   Stable   Assigned
Not Applicable	Not avl. / Not appl.	Proposed Long Term Bank Facility	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	30.02	Simple	ACUTE BBB-   Stable   Assigned
HDFC Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUTE BBB-   Stable   Assigned
Indusind Bank Ltd	Not avl. / Not appl.	Secured Overdraft	Not avl. / Not appl.	Not avl. / Not appl.	Not avl. / Not appl.	3.00	Simple	ACUTE BBB-   Stable   Assigned
State Bank of India	Not avl. / Not appl.	Term Loan	30 Nov 2024	Not avl. / Not appl.	31 Mar 2031	11.72	Simple	ACUTE BBB-   Stable   Assigned

## Contacts

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### About Acuité Ratings & Research

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