

Modern Dairies Limited (Revised)

March 8, 2022

Ratings

Facilities/Instruments	Amount (Rs. crore)	Rating ¹	Rating Action
Long Term Bank Facilities	121.25	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Short Term Bank Facilities	4.10	CARE D; ISSUER NOT COOPERATING* (Single D ISSUER NOT COOPERATING*)	Rating continues to remain under ISSUER NOT COOPERATING category
Total Bank Facilities	125.35 (Rs. One Hundred Twenty-Five Crore and Thirty-Five Lakhs Only)		

Details of instruments/facilities in Annexure-1

Detailed Rationale & Key Rating Drivers

CARE had, vide its press release dated December 21, 2020, placed the ratings of Modern Dairies Limited (MDL) under the 'issuer non-cooperating' category as MDL failed to provide information for monitoring of the rating. MDL continues to be non-cooperative despite repeated requests for submission of information through e-mails, phone calls and a letter/emails dated March 1, 2022, February 26, 2022 and February 22, 2022 etc. In line with the extant SEBI guidelines, CARE has reviewed the rating on the basis of the best available information which however, in CARE's opinion is not sufficient to arrive at a fair rating.

Users of this rating (including investors, lenders and the public at large) are hence requested to exercise caution while using the above rating).

Detailed description of the key rating drivers:

At the time of last rating on December 21, 2020, the following were the rating weaknesses:

Key Rating Weaknesses

Ongoing delays in debt servicing: Some of the company's bank accounts continue to be classified as Non-Performing Asset (NPA).

Liquidity: Poor

Liquidity is poor due to delay in debt servicing.

Analytical Approach: Standalone

Applicable Criteria

[Policy on default recognition](#)

[Policy in respect of Non-cooperation by issuer](#)

[Manufacturing Companies](#)

[Short Term Instruments](#)

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

[Financial Ratios – Non financial Sector](#)

About the company

MDL was setup by Mr. Krishan Kumar Goyal in 1992 with an initial milk processing capacity of 3.25 lakh litre of milk per day (LLPD). For liquid milk, the company has a tie-up with Mother Dairy for complete off-take of 2 LLPD. Ghee is sold through the company's own retail channel and through bulk sales under the brand name of 'SHWETA' and 'MODERN DAIRIES'. The company supplies products like skimmed milk powder and other milk products like whole milk powder, mozzarella cheese, casein to various institutional buyers while its current focus is on sale of fresh dairy products, cheese, ghee, etc.

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

Brief Financials (Rs. crore)	31-03-2020 (A)	31-03-2021 (A)	9MFY22 (P)
Total operating income	765.86	610.40	191.30
PBILDT	8.95	10.52	7.28
PAT	3.49	-34.73	2.44
Overall gearing (times)	-1.99	-1.35	NA
Interest coverage (times)	72.76	273.30	244.00

A: Audited, P: Provisional, NA: Not Available

Status of non-cooperation with previous CRA: NA

Any other information: Not Applicable

Rating History for last three years: Please refer Annexure-2

Covenants of rated instrument / facility: Detailed explanation of covenants of the rated instruments/facilities is given in Annexure-3

Complexity level of various instruments rated for this company: Annexure 4

Annexure-1: Details of Instruments / Facilities

Name of the Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan		-	-	March, 2019	65.25	CARE D; ISSUER NOT COOPERATING*
Fund-based - LT-Cash Credit		-	-	-	56.00	CARE D; ISSUER NOT COOPERATING*
Non-fund-based - ST-BG/LC		-	-	-	4.10	CARE D; ISSUER NOT COOPERATING*

Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/ Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating (s) assigned in 2021-2022	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019
1	Fund-based - LT-Term Loan	LT	65.25	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (21-Dec-20)	1)CARE D; ISSUER NOT COOPERATING* (24-Sep-19)	1)CARE D; ISSUER NOT COOPERATING* (06-Apr-18)
2	Fund-based - LT-Cash Credit	LT	56.00	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING* (21-Dec-20)	1)CARE D; ISSUER NOT COOPERATING* (24-Sep-19)	1)CARE D; ISSUER NOT COOPERATING* (06-Apr-18)
3	Non-fund-based - ST-BG/LC	ST	4.10	CARE D; ISSUER NOT COOPERATING*	-	1)CARE D; ISSUER NOT COOPERATING*	1)CARE D; ISSUER NOT COOPERATING*	1)CARE D; ISSUER NOT COOPERATING*

						NG* (21-Dec-20)	NG* (24-Sep-19)	NG* (06-Apr-18)
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* Long Term / Short Term

Annexure-3: Detailed explanation of covenants of the rated instrument / facilities: Not Applicable

Annexure 4: Complexity level of various instruments rated for this company

Sr. No	Name of instrument	Complexity level
1	Fund-based - LT-Cash Credit	Simple
2	Fund-based - LT-Term Loan	Simple
3	Non-fund-based - ST-BG/LC	Simple

Annexure 5: Bank Lender Details for this Company

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

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

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About CARE Ratings Limited:

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