

Gyandhara Industries Private Limited

March 24, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	9.61	CARE BB+; Stable; ISSUER NOT COOPERATING*	Rating moved to ISSUER NOT COOPERATING category

Details of instruments/facilities in Annexure-1.

*Issuer did not cooperate; based on best available information.

Rationale and key rating drivers

CARE Ratings Ltd. has been seeking information from Gyandhara Industries Private Limited (GIPL) to monitor the rating(s) vide e-mail communications/letters dated March 10, 2025, March 08, 2025, March 05, 2025, and March 01, 2025, etc. among others and numerous phone calls. However, despite our repeated requests, the firm has not provided the requisite information for monitoring the ratings.

Further GIPL has not paid the surveillance fees for the rating exercise agreed to in its Rating Agreement. In line with the extant SEBI guidelines, CARE Ratings Limited's (CARE Ratings') rating on GIPL's bank facilities will now be denoted as **"CARE BB+; Stable; ISSUER NOT COOPERATING*"**.

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

The ratings remain constrained on account of growing albeit small scale of operations, modest profitability margins, and competition from other established players. However, the ratings derive strength from experienced directors & management team, comfortable financial risk profile marked by low overall gearing, operational linkages from the group company C.P. Milk & Food Products Pvt Ltd (CPMF) along with established selling and distribution network.

Analytical approach: Standalone, however factoring in the business and operational linkages with group company C.P. Milk and Food Products Private Limited.

Outlook: Stable

CARE Ratings believes that the entity shall sustain its comfortable financial risk profile over the medium term. CARE also believes that improvement in cash accruals of the company over medium term shall support its liquidity profile.

Detailed description of key rating drivers: At the time of last rating on April 03, 2024, following were the rating strengths and weaknesses. (updated based on limited information available from Registrar of companies).

Key weaknesses

Small scale of operations albeit growing

The total operating income of the company although small, grew by ~48% to Rs.225.60 crore in FY24 (refers to the period from April 01, 2023 to March 31, 2024) (PY: Rs.152.76 crore) driven by rise in demand for cattle feed. The PBILDT margin of the company improved to 6.90% in FY24 (PY: 4.24%). Consequently, the PAT margin of the company improved to 4.16% in FY24 (PY: 1.81%). The improvement in profitability is owing to GIPL being able to procure raw material a low cost.

Competition from other established players

The company faces competition from the other players with well established brands and companies. GIPL is however leveraging the distribution network of CPMF to further increase its presence in Uttar Pradesh. CPMF sells the produce of GIPL to its network of ~75,000 farmers from whom it procures milk in and around Uttar Pradesh.

Key strengths

Experienced directors and management team

The directors of GIPL are the spouses of Mr. Jai Agarwal & Mr. Anuj Agarwal, Directors of C.P. Milk & Food Products Pvt Ltd. Mrs. Ritu Agarwal (Managing Director) has done her B.Tech in I.T. and is on the Board of Entrepreneur's Organization, 'U.P Chapter' as Spousal Champion and is also working as a part of the Executive Council, Young Indians, (Lucknow Chapter) Heading the

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

branding vertical. Mrs. Jyotsna Agarwal (Director) is Post Graduate in Economics and is currently heading the Masoom Vertical under Young India (Confederation of Indian Industry).

Comfortable Financial risk profile

The overall gearing of the company stood comfortable at 0.27x as on March 31, 2024 (PY: 0.59x). Debt coverage indicators of the company remained comfortable as reflected by PBILDT interest coverage and total debt/GCA of 8.46x (PY: 3.36x) and 0.64x (PY: 2.14x) in FY24 respectively.

Established sales & distribution network through well-established CPMF's network

In FY23, GIPL sold ~65% (PY: ~63%) of its produce to CPMF, which further sells it to farmers and villages through its well-established network and the remaining is to other players (like Sahaj Dairy, Paras dairy, Bapudham milk etc.) and other farmers through its own distributors/retailers in the geographies where CPMF does not have a distribution network. During FY23, company exported to Nepal which contributed to ~3% of total sales (PY: ~6%). All sales to Nandan Agro Trading (Nepal) are backed by LC and are fully secured. Currently, the company has around 20 distributors in its own distribution channel. CPMF procures milk from ~75,000 local farmers in and around UP from the local collection centres. The company sources milk from 3,000 villages and has tie-ups with more than 223 village level collection centres (VLC) for continuous milk supply along with 16 chilling centres across UP for collection of milk. Thus, through this network of procurement, GIPL is able to sell its produce to the end farmers. 100% of fodder requirement of CPMF is being fulfilled by GIPL.

High requirement for availability of animal feed

Uttar Pradesh tops in milk production in India, however the productivity of cattle is restricted because of their poor genetic make-up along with illiteracy of farmers to use nutritive supplements instead of traditional/routine feeds. Intake of cattle supplements improves the general health condition of cattle and leads to a high yield of good quality milk that is rich in fat, protein and sweetness. Thus, there is a growing need for farmers to revolutionize to enhance the quality of animal feed by balancing and enriching all required nutrients.

Industry Prospects

The dairy industry is expected to grow by ~13% in FY24 (refers to the period from April 01, 2023 to March 31, 2024), driven by a revival in economic activities, increasing per capita consumption of milk and milk products, changing dietary preferences due to rising urbanization, and continued government support. Domestic milk production is estimated to increase by 5%-6% in FY24, supported by a normal monsoon and early onset of the flush season in some regions. Post the moderate impact of the pandemic, the industry witnessed a steady recovery in consumption across end segments.

Applicable criteria

[Definition of Default](#)

[Factoring Linkages Parent Sub JV Group](#)

[Policy in respect of non-cooperation by issuers](#)

[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	Animal Feed

GIPL (erstwhile S.P. Lab) was incorporated as a private limited company on January 19, 2021 and is engaged in the business of manufacturing of cattle feed. Mrs. Ritu Agrawal and Mrs. Jyotsna Agarwal, the two directors of the company are spouses of Mr. Jai Agarwal & Mr. Anuj Agarwal who are the directors of C.P. Milk & Food Products Pvt Ltd. The company sells its products under brand name of 'Gyandhara'. Till FY18, GIPL was undertaking only trading activities of cattle feed. In 2017, the company was allotted a plot at UPSIDC Industrial Area, Sandila having an area of 19,728 sq.mtrs for establishment of 'Cattle Feed' manufacturing unit. The capacity of the plant stood at 88,320 Metric tonne per annum as on March 31, 2023.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)
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Total operating income	152.76	225.60
PBILDT	6.47	15.57
PAT	2.76	9.39
Overall gearing (times)	0.59	0.27
Interest coverage (times)	3.36	8.46

A: Audited; 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 (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	7.00	CARE BB+; Stable; ISSUER NOT COOPERATING*
Fund-based - LT-Term Loan		-	-	November, 2026	2.61	CARE BB+; Stable; ISSUER NOT COOPERATING*

*Issuer did not cooperate; based on best available information.

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 2024-2025	Date(s) and Rating(s) assigned in 2023-2024	Date(s) and Rating(s) assigned in 2022-2023	Date(s) and Rating(s) assigned in 2021-2022
1	Fund-based - LT-Term Loan	LT	2.61	CARE BB+; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (03-Apr-24)	-	1)CARE BB+; Stable (06-Mar-23)	1)CARE BB+; Stable (25-Feb-22)
2	Fund-based - LT-Cash Credit	LT	7.00	CARE BB+; Stable; ISSUER NOT COOPERATING*	1)CARE BB+; Stable (03-Apr-24)	-	1)CARE BB+; Stable (06-Mar-23)	1)CARE BB+; Stable (25-Feb-22)

*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 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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About us:

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