

Jayamm Milk Products Private Limited

April 30, 2025

Facilities/Instruments	Amount (₹ crore)	Rating ¹	Rating Action
Long Term Bank Facilities	25.00	CARE B; Stable; ISSUER NOT COOPERATING*	Downgraded from CARE B+; Stable and 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 Audited Financial Statements of FY24 and No default statements from Jayamm Milk Products Private Limited (JMPL) to monitor the ratings vide email communications dated March 21, 2025, April 16, 2025, among others and numerous phone calls. However, despite our repeated requests, the company has not provided the requisite information for monitoring the ratings. In line with the extant SEBI guidelines, CARE Ratings Ltd. has reviewed the rating on the basis of the best available information which however, in CARE Ratings Ltd.'s opinion is not sufficient to arrive at a fair rating. The rating on JMPL's bank facilities will now be denoted as **CARE B; 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 ratings.

The ratings have been revised on account of non-receipt of Audited Financial Statements of FY24 and monthly No default statement for the month of February 2025 and March 2025 despite repeated requests. The ratings continue to be constrained by nascent stage of operations, presence in highly fragmented and competitive industry, high customer concentration. The Rating also factors in the high debt funded capex plan of the company and expected moderation in the leverage profile. However, the ratings draw strength from the experience of promoters in the milk processing industry, locational advantage of the plant being in the high milk producing belt and improvement in scale of operations.

Analytical approach: Standalone

Outlook: Stable

Detailed description of key rating drivers:

At the time of last rating on September 16, 2024, the following were the rating strengths and weaknesses.

Key weaknesses

Nascent stage of operations

JMPL, incorporated in July 2022 and commenced operations in September 2022. FY24 marks their first full year of operations of the business. Initially, company focused on B2B sales of SMP through wholesale dealers and institutional customers. In FY24, JMPL entered the retail market under the brand name Swastika. Company sells liquid milk and value-added products through agents, with around 200 distributors in Tamil Nadu and Andhra Pradesh.

Leveraged capital structure with further moderation envisaged

Capital structure of the company remained at moderate level with overall gearing of 1.09x as on March 31, 2024 (PY: 2.06x). Company is planning to acquire the milk processing unit which is currently being operated on lease basis. With the proposed capex plans and envisaged increase in working capital borrowing, leverage position is expected to deteriorate during the forthcoming period.

Exposure of change in government regulations, environmental condition and industry competition

The dairy industry is highly regulated and vulnerable to changes in government policies. The supply and pricing of milk are subject to various external factors, such as, cattle diseases, and yield fluctuations, which JMPL cannot directly control. Consequently, any changes in milk prices can negatively impact profitability margins. Additionally, JMPL faces strong competition from well-established national and regional brands. This competition, from both organized and unorganized sectors, along with limited bargaining power with customers and suppliers, puts pressure on the company's operating margins.

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

Key strengths

Locational advantage of plant being in high milk producing belt

JMPL's plant is located in Chittoor district, Andhra Pradesh, offers a significant advantage as it is one of the high milks producing belt in the state. The company is operating out of a leased unit located in Chittoor district with capacity of 1.25LLPD for processing of milk. The plant does not have a Skimmed Milk Powder (SMP) capacity and company outsource the processing of SMP as per the market demand. The company has an established procurement network, sourcing milk from over 6,200 farmers across four districts. JMPL operates two chilling centres in Tamil Nadu, each with a 10,000-litre capacity, one in Andhra Pradesh with a 10,000-litre capacity, and five bulk cooling centres, each with a 5,000-litre capacity.

Diversified product portfolio with improvement in scale of operations

The company offers a diverse range of dairy products through four main trade channels: B2B, Modern Trade, General Trade, and Fresh Category, with around 43 different SKUs. JMPL's product lineup includes ghee, butter, paneer, skimmed milk powder (SMP) flavoured milk, curd, sweets, and other dairy products. In FY24, SMP was the highest revenue contributor (40%), followed by butter (34%) and liquid milk (23%). With the increased focus on B2C segment company is expected to achieve higher contribution from Milk and other value-added products during the forthcoming period.

Experience of the promoters in the milk processing industry

The company, founded by Srinivasan Balaji in July 2022, benefits from the extensive experience of over 15 years of promoter being in the Aqua and FMCG sectors and more than 5 years in the milk industry.

Applicable criteria

[Definition of Default](#)

[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	Dairy Products

Jayamm Milk Products Private Limited (JMPL) was incorporated in July 12,2022 and commenced operations in September 2022. The company is engaged in the processing of milk and curd and other value-added products like ghee, butter, panner under the brand name 'Swastika'. The processing unit is located at Pathikonda, Chittor, Andhra Pradesh with a capacity of 1.25 Lakh Liters per day. JMPL is promoted by Srinivasan Balaji, who has around 15 years of experience in Dairy, aqua and FMCG sectors.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (UA)	5MFY2025 (UA)
Total operating income	63.43	235.65	50.00
PBILDT	0.34	6.58	NA
PAT	0.07	3.44	NA
Overall gearing (times)	2.06	1.09	NA
Interest coverage (times)	4.84	7.23	NA

A: Audited UA: Unaudited NA: Not available; 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		-	-	-	25.00	CARE B; 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 2025-2026	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
1	Fund-based - LT-Cash Credit	LT	25.00	CARE B; Stable; ISSUER NOT COOPERATING*	-	1)CARE B+; Stable (16-Sep-24)	-	-

*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

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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