

## Madhusudan Masala Limited

January 21, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long Term / Short Term Bank Facilities	-	-	Reaffirmed at CARE BB+; Stable / CARE A4+ and Withdrawn
Long Term Bank Facilities	-	-	Reaffirmed at CARE BB+; Stable and Withdrawn

Details of instruments/facilities in Annexure-1.

### Rationale & Key Rating Drivers

CARE Ratings Ltd. (CareEdge Ratings) has reaffirmed and withdrawn the outstanding ratings of 'CARE BB+; Stable/CARE A4+' [Double B plus; Outlook: Stable/ A Four plus] assigned to the bank facilities of Madhusudan Masala Limited (MML) with immediate effect. The above action has been taken at the request of MML and 'No Objection Confirmations' received from the lenders those have extended the facilities rated by CARE.

The ratings assigned to the bank facilities of MML remains constrained by elongated operating cycle owing to large inventory requirements, vulnerability to fluctuating raw material prices presence in highly fragmented and competitive spices industry and stretched liquidity. The rating however, favourably factor in the growing scale of operations and moderate profitability, comfortable capital structure and moderate debt coverage indicators, Experienced promoters with established track record of operations and diversified product portfolio and established distributor network

### Analytical Approach: Consolidated

From FY25 onwards, CareEdge Ratings has taken a consolidated approach post the acquisition of 100% stake in Vitagreen Food Products Private Limited (VGPPPL) in July 2024. Details of the subsidiary consolidated with MML is mentioned in **Annexure-6**.

### Outlook: Stable

The 'Stable' outlook reflects CARE Ratings' expectation of MML being able to sustain its growing scale of operations aided by growing dealer/distributor base coupled with improved sales volumes on a consolidated basis.

### Detailed description of the key rating drivers:

#### Key weaknesses

#### Elongated operating cycle owing to large inventory requirements

MML's operating cycle elongated to 181 days in FY25 from 135 days in FY24. MML's raw materials are predominantly agro commodities, like Chilly, Turmeric, and Coriander which are seasonal in nature and are available readily only for a few months in a year requiring adequate stocking levels of raw materials leading to elongated average inventory holding days of 124 days in FY25 (PY: 82 days). MML procures approximately 50-60% of its inventory during peak seasons and the remainder throughout the year based on order flow. Further, the company grants credit period of 60-90 days to its customers while it repays its suppliers within 1-7 days to avail cash discount on bulk purchases. Consequently, the operations of MML remained working capital intensive. The rationale behind inventory pile up is to fulfil repeated orders/demand of its customers and also to gain from increasing price momentum. Additionally, adequate stock level needs to be maintained to hedge against price fluctuations. Thus, working capital limit utilisation remained fully utilized for past one year ended January 16, 2026.

#### Vulnerability to fluctuating raw material prices

Raw materials required for producing spices are agro-based commodities such as chilli, turmeric, coriander, raw mangoes, cloves, salt, and cardamom. MML's profitability is vulnerable to adverse movements in prices of raw materials, which are seasonal in nature. Hence, ability to maintain consistent profitability margins and manage competition within the industry is key rating monitorable.

#### Presence in highly fragmented and competitive spices industry

The spice industry is highly fragmented due to low entry barriers. Hence, MML faces competition from organised and unorganised players. Within the organised sector, it faces competition from several established players such as MDH Spices, Everest Spices, Catch Foods, Mother's Recipe, Ramdev, Badshah Masala, among others. High competition within the industry

<sup>1</sup>Complete definition of ratings assigned are available at [www.careratings.com](http://www.careratings.com) and other CARE Ratings Limited's publications.

limits the ability of the concern to transfer increasing raw material prices, as it involves the risk of becoming less competitive. MML's ability to sustain its overall business profile amid intense competition is critical from the credit perspective.

### **Key strengths**

#### **Experienced promoters with established track record of operations**

Dayalji Kotecha and Vijay Kotecha had established the business in 1982 and thus have around 4 decades of experience in the spices industry. Rishit and Hiren Kotecha are the second-generation entrepreneur. Rishit Kotecha, Managing Director, have around 2 decades of experience in the industry and looks after financial, compliance and marketing activities of the company. Hiren Kotecha also has 2 decades of experience and looks after planning, operations and packaging activities of the company. The promoters are also supported by a team of experienced and trained employees.

#### **Growing scale of operations and moderate profitability**

MML has demonstrated consistent growth in scale, with Total Operating Income increasing from ₹162.34 crore in FY24 to ₹230.93 crore in FY25 owing to increase in operational synergies post the acquisition of VGPPL. Further, during 9MFY26, the company reported operating income of ₹195.44 crore. Substantial growth is majorly attributable to regional diversification, with the appointment of distributors in states like Maharashtra, Punjab, Jammu & Kashmir, and Uttar Pradesh, expanding beyond its earlier focus on Gujarat, particularly Saurashtra. The profitability of MML was moderate in FY25 and 9MFY26 with PBILDT margin of 10.50% in FY25 as against 10.74% in FY24. During 9MFY26 PBILDT margin improved marginally and was moderate to 11.88% in 9MFY26. However, the PAT margin improved and was moderate to 6.49% in FY25 against 5.59% in FY24. In 9MFY26 it remained moderate at 6.32%.

#### **Comfortable capital structure and satisfactory debt coverage indicators**

The capital structure of MML as marked by an overall gearing improved to 0.80x as on March 31, 2025 from 1.13x as on March 31, 2024, on a consolidated basis. The improvement is mainly due to increase in the tangible net worth of led by accretion of profits to reserves as well as increase in equity capital.

Debt coverage indicators of MML improved owing to increase in profitability in absolute terms, however it remained moderate as marked by TDGCA of 4.20x as on March 31, 2025, as against 5.17x as on March 31, 2024. Further, Interest coverage ratio remained comfortable at 3.86x in FY25 and 4.86x in 9MFY26 against 3.91x in FY24.

#### **Diversified product portfolio and established distributor network**

MML is engaged primarily in the processing of more than 32 types of ground and blend spices, mainly chilli powder, turmeric powder and coriander powder. The company sells under the brand name of "DOUBLE HAATHI" and "MAHARAJA" across the state of Gujarat, Maharashtra and Rajasthan. MML have developed a network of more than 2100 wholesalers and more than 3700 retailers. The company is also engaged in whole spices, tea, other grocery product such as Rajgira Flour, Soya Chunks, Achar Masala, Rock Salt, etc. Further, VGPPL- a wholly owned subsidiary of MML is also into manufacturing of blended spices and instant mixes under the brand name of "77 Green".

#### **Liquidity: Stretched**

The liquidity position of MML remained stretched primarily due to high working capital intensity and high utilization of bank limits. The working capital limits remained fully utilized during past twelve months ended January 16, 2026. Cash and bank balance remained modest at ₹2.12 crore as on March 31, 2025 (PY: 0.40 crore). Current ratio was moderate to 2.08x as on March 31, 2025. However, cash flow from operations increased and remained moderate of ₹24.26 crore in FY25 against negative cash flow during previous year.

**Assumptions/Covenants:** Not Applicable

**Environment, social, and governance (ESG) risks:** Not Applicable

#### **Applicable criteria:**

[Withdrawal Policy](#)

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Manufacturing Companies](#)

[Short Term Instruments](#)

[Financial Ratios – Non-financial Sector](#)

[Consolidation and Combined Approach](#)

## About the company and industry

### Industry classification

Macro-Economic Indicator	Sector	Industry	Basic Industry
Fast Moving Consumer Goods	Fast Moving Consumer Goods	Food Products	Other Food Products

Jamnagar (Gujarat) based Madhusudan Masala Limited (MML) (ISIN: INE0P6701019) was formally established as Madhusudan & Co. (a partnership firm) since 1982 by Dayalji Kotecha and Vijaykumar Kotecha. Rishit Kotecha and Hiren Kotecha, second-generation entrepreneur joined family business since last two decades. Further, Madhusudan & Co. was converted into private limited company in December 2021, which later became a public company in 2023. It is engaged in the business of manufacturing and processing of more than 32 types of Spices under the brand names of "Double Hathi" and "Maharaja". Installed capacity to process chilli powder, Turmeric powder and Coriander powder/Blend spices are 2400 MT, 1200 MT and 1200 MT respectively. MML's manufacturing facilities are accredited with ISO 9001:2015 for quality management system, ISO 22000:2018 for Food Safety Management System, HACCP for Hazard Analysis Critical Control Points and with FSSAI license under Food Safety and Standards Act 2006. During July, 2024, MML acquired 100% stake in Vitagreen Products Private Limited (VGPL) engaged into manufacturing and export of spices, instant food mixes and snacks. Incorporated in 2009 in Rajkot Gujarat, VGPL has an operational presence in 12 states of India as well as Indonesia, Australia, South African Countries, Middle East & United Kingdom. Through this acquisition, MML now has presence in overseas markets apart from its already established presence in Indian markets.

Brief Financials (₹ crore)	March 31, 2023 (A)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
	Standalone		Consolidated	
Total operating income	127.40	162.34	230.93	195.44
PBILDT	11.57	17.44	24.26	23.22
PAT	5.34	9.07	14.99	12.36
Overall gearing (times)	2.73	1.13	0.80	-
Interest coverage (times)	3.54	3.91	3.86	4.86

A: Audited UA: Unaudited; Note: 'the above results are latest financial results available'

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating history for last three years:** Annexure-2

**Covenants of rated instrument / facility:** Annexure-3

**Complexity level of various 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-Term Loan		-	-	28/02/2031	0.00	Withdrawn
Fund-based - LT/ ST-Cash Credit		-	-	-	0.00	Withdrawn

**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/ ST-Cash Credit	LT/ST	-	-	1) CARE BB+; Stable / CARE A4+ (08-Apr-25) 2) CARE BB+; Stable / CARE A4+ (21-Jan-26)	1) CARE BB; Positive / CARE A4+ (02-Apr-24)	-	-
2	Fund-based - LT-Term Loan	LT	-	-	1) CARE BB+; Stable (08-Apr-25) 2) CARE BB+; Stable (21-Jan-26)	1) CARE BB; Positive (02-Apr-24)	-	-

LT: Long term; LT/ST: Long term/Short term

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

**Annexure-4: Complexity level of the various instruments rated**

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Term Loan	Simple
2	Fund-based - LT/ ST-Cash Credit	Simple

**Annexure-5: Lender details**

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

**Annexure-6: List of entities consolidated**

Sr No	Name of the Entity	Extent of Consolidation	Rationale for Consolidation
1	Vitagreen Food Products Private Limited	Full	Wholly Owned Subsidiary
2	Madhusudan Masala Limited	Full	Holding Company

**Note on complexity levels of rated instruments:** CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to [care@careedge.in](mailto:care@careedge.in) for clarifications.

## Contact us

Media Contact	Analytical Contacts
<b>Media Contact</b> Mradul Mishra Director <b>CARE Ratings Limited</b> Phone: +91-22-6754 3596 E-mail: <a href="mailto:mradul.mishra@careedge.in">mradul.mishra@careedge.in</a>	<b>Analytical Contacts</b> Shachee Vyas Assistant Director <b>CARE Ratings Limited</b> Phone: +91-079-40265665 E-mail: <a href="mailto:shachee.tripathi@careedge.in">shachee.tripathi@careedge.in</a>
<b>Relationship Contact</b> Ankur Sachdeva Senior Director <b>CARE Ratings Limited</b> Phone: +91 22 6754 3444 E-mail: <a href="mailto:Ankur.sachdeva@careedge.in">Ankur.sachdeva@careedge.in</a>	Aniket Shringarpure Lead Analyst <b>CARE Ratings Limited</b> Phone: +91-079-40265659 E-mail: <a href="mailto:aniket.shringarpure@careedge.in">aniket.shringarpure@careedge.in</a>  Devanshi Mewada Associate Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:devanshi.mewada@careedge.in">devanshi.mewada@careedge.in</a>

### About us:

Established in 1993, CareEdge Ratings is one of the leading credit rating agencies in India. Registered under the Securities and Exchange Board of India, it has been acknowledged as an External Credit Assessment Institution by the Reserve Bank of India. With an equitable position in the Indian capital market, CareEdge Ratings provides a wide array of credit rating services that help corporates raise capital and enable investors to make informed decisions. With an established track record of rating companies over almost three decades, CareEdge Ratings follows a robust and transparent rating process that leverages its domain and analytical expertise, backed by the methodologies congruent with the international best practices. CareEdge Ratings has played a pivotal role in developing bank debt and capital market instruments, including commercial papers, corporate bonds and debentures, and structured credit. For more information: [www.careratings.com](http://www.careratings.com)

### Disclaimer:

This disclaimer pertains to the ratings issued and content published by CARE Ratings Limited ("CareEdge Ratings"). Ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse, or recall the concerned bank facilities or to buy, sell, or hold any security. Any opinions expressed herein are in good faith and are subject to change without notice. The rating reflects the opinions as on the date of the rating. A rating does not convey suitability or price for the investor. The rating agency does not conduct an audit on the rated entity or an independent verification of any information it receives and/or relies on for the rating exercise. CareEdge Ratings has based its ratings/outlook on the information obtained from reliable and credible sources. CareEdge Ratings does not, however, guarantee the accuracy, adequacy, or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. The users of the rating should rely on their own judgment and may take professional advice while using the rating in any way. CareEdge Ratings shall not be liable for any losses that user may incur or any financial liability whatsoever to the user of the rating. The use or access of the rating does not create a client relationship between CareEdge Ratings and the user.

CAREEDGE RATINGS DISCLAIMS WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR OTHER WARRANTIES OR CONDITIONS, TO THE EXTENT PERMITTED BY APPLICABLE LAWS, INCLUDING WARRANTIES OF MERCHANTABILITY, ACCURACY, COMPLETENESS, ERROR-FREE, NON-INFRINGEMENT, NON-INTERRUPTION, SATISFACTORY QUALITY, FITNESS FOR A PARTICULAR PURPOSE OR INTENDED USAGE.

Most entities whose bank facilities/instruments are rated by CareEdge Ratings have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CareEdge Ratings or its subsidiaries/associates may also be involved with other commercial transactions with the entity. CareEdge Ratings does not act as a fiduciary by providing the rating. The ratings are intended for use only within the jurisdiction of India. The ratings of CareEdge Ratings do not factor in any rating-related trigger clauses as per the terms of the facilities/instruments, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and triggered, the ratings may see volatility and sharp downgrades. CareEdge Ratings has established policies and procedures as required under applicable laws and regulations which are available on its website.

Privacy Policy applies. For Privacy Policy please refer to [https://www.careratings.com/privacy\\_policy](https://www.careratings.com/privacy_policy)

© 2025, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information. Any use or reference to the contents herein on an "as-is" basis is permitted with due acknowledgement to CARE Ratings. Reproduction or retransmission in whole or in part is prohibited except with prior written consent from CARE Ratings.