

## M R Dairy Products Private Limited

February 27, 2026

Facilities/Instruments	Amount (₹ crore)	Rating <sup>1</sup>	Rating Action
Long-term bank facilities	102.34 (Enhanced from 93.26)	CARE BBB+; Stable	Reaffirmed

Details of instruments/facilities in Annexure-1.

### Rationale and key rating drivers

Reaffirmation of the rating assigned to bank facilities of M R Dairy Products Private Limited (MRDPPL) reflects the company's stable financial performance in FY25 (April 01 to March 31) and 9MFY26 (April 01 to December 31), despite moderation in profitability margins. Growth in business operations was primarily driven by higher sales volumes, resulting in an increased scale of operations. The rating continues to draw strength from promoters' extensive industry experience and the company's satisfactory operational track record. MRDPPL benefits from long-standing relationships with customers and suppliers, although it faces moderate customer concentration risk. The company's comfortable capital structure, reflected in an overall gearing ratio below unity, further underscores its financial resilience despite moderation in debt coverage indicators in FY25.

However, the rating remains constrained with concentrated product profile and geographical concentration risk, commodity price fluctuation risk, low profitability margin due to trading nature of business and working capital intensive operations.

### Rating sensitivities: Factors likely to lead to rating actions

#### Positive factors

- Growth in scale of operations as marked by TOI of above ₹1,000 crore and significant product and geographical diversification on a sustained basis.
- Sustenance of profitability margins and improvement in working capital cycle from the current levels on a sustained basis.

#### Negative factors

- Deterioration in capital structure as marked by overall gearing of above 1.50x on a sustained basis.
- Deterioration in debt protection metrics as marked by total debt to gross cash accruals (TD/GCA) and interest coverage ratio of above 7.00x and below 4.00x respectively on a sustained basis.

### Analytical approach: Standalone

#### Outlook: Stable

The 'Stable' outlook assigned to the long-term rating is based on the company's ability to sustain its financial and operational performance considering long-established relationship with customers and suppliers under the guidance of experienced promoters in the medium term.

### Detailed description of key rating drivers:

#### Key strengths

#### Extensive experience of promoters and company's satisfactory operational track record

MRDPPL started off as a sole proprietorship concern in the 1940s by Madan Mohan Dey and later adopted the present form of private limited company. It has a long track record of operation of around eight decades in the dairy industry. The company is engaged in trading dairy products such as skimmed milk powder (SMP), whole milk powder (WMP), dairy whitener, dairy creamer, ghee, and butter, among others and sells these products in West Bengal and Orissa. The company's directors Moni Mohan Dey and his wife Ruma Dey have experience of over four decades in the dairy industry. The company's overall management and day-to-day operations are jointly looked by Moni Mohan Dey, his wife Ruma Dey and their son Michael Dey.

#### Long-established relationship with customer and suppliers despite moderate customer concentration

The company caters to demand of renowned players in the dairy industry including Pragati Milk Products Private Limited and Red Cow Dairy Private Limited. The company has long-term relations with its clients and has been receiving repeat orders from them every year. Top 10 customers contributed ~41% (PY: 32%) of the company's overall sales in FY25, exposing it to moderate customer concentration risk. However, the company has been growing its customer base through venturing in Tamil Nadu,

<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.

Karnataka, and Maharashtra, among others through direct trading, which is expected to reduce customer concentration risk in the near future. The company also built long-term relationship with its suppliers. Most suppliers are from western or central India, having the highest milk output in the country, ensuring steady supply to the company.

### **Stable financial performance despite moderation in profitability margin in FY25**

The company achieved turnover of ₹805.04 crore in FY25 against ₹672.99 crore in FY24, observing a ~20% y-o-y growth. The volumes sold in the year also improved significantly by 31% with 2,98,80 MT sold in the year. With the company trying to enter new market outside West Bengal, the overall realisation in FY25 moderated due to high competition leading to moderation in profit before interest, lease rentals, depreciation and taxation (PBILDT) margins. With SMP prices improving in the current fiscal, profitability margins are expected to improve gradually. In 9MFY26 (April 2025 to December 2025), the company achieved sales of ₹639.00 crore.

### **Comfortable capital structure despite moderation in debt coverage indicators**

The company's capital structure continues to remain comfortable with overall gearing of 0.85x as on March 31, 2025, in line with FY24. With no further addition of term loan planned, gearing is expected to improve in coming years. However, due to deterioration in profitability, other debt coverage indicators such as TD/GCA and interest coverage ratio remain stable at 7.79x and 3.09x respectively for FY25 compared to 7.28x and 2.66x in previous year. Capital structure and debt protection indicators are expected to improve gradually in the near-to-midterm with expected improvement in margins.

### **Key weaknesses**

#### **Concentrated product profile and geographical concentration risk**

The company continue to derive ~80%-90% of its revenue from trading SMP. Some institutional clients, to which the company sells its dairy products are based in Orissa, Jharkhand, and Bihar but most sales are made to institutional clients and resellers based in West Bengal, resulting in geographical concentration. Geographical diversification increased in FY25 marked by expansion of business into newer territory and consequent reduction in revenue contribution to 68% from West Bengal (PY: 70%). The company is making attempts to diversify in other part of the country, which will remain monitorable in the medium term.

#### **Commodity price fluctuation risk**

MRDPPL is exposed to inherent risk associated with trading business, commodity price fluctuation risk. The company maintains sizeable amount of SMP as inventory. Given the volatility in SMP prices, the company does remain exposed to pricing risk. Although the company benefitted from favourable movement of prices in the last few fiscals, sharp change in prices in presence of sizeable inventory will continue to pose risk to profitability.

#### **Low profitability margin due to trading nature of business**

The company operate at a low operating margin due to trading nature of operations, where margins are modest considering absence of value addition. MRDPPL faces highly competitive pressure from unorganised players and from established organised players in the dairy business.

#### **Working capital intensive operations**

The company's operations are working capital intensive, as it must maintain an inventory of ~60-70 days, largely owing to 75+ varieties of SMP catered to customers, maintaining adequate buffer in each of these variety so as to provide on time order delivery. Procurements are largely made in flush seasons, owing to which, the company carries higher inventory in non-flush period. MRDPPL provides moderate credit period of 10-30 days to its customers. However, credit period allowed by its suppliers is minimal and further in case of larger suppliers the payment is at times made in advance leading to moderately high working capital cycle of ~72 days (PY:82 days) in FY25. Working capital cycle is expected to sustain at current levels in the near future. Fund-based bank limits are utilised at ~63% for 12 months ended December 31, 2025.

#### **Liquidity: Adequate**

The company's liquidity is marked adequate by sufficient cushion in accruals of ₹12.84 crore against repayment obligations of ₹4.20 crore in FY25 and modest cash and cash equivalents of ₹14.70 crore as on March 31, 2025. Going ahead, the company has ₹2.28 crore debt repayment obligation in FY26, against which it is expected to generate sufficient cash accruals. The fund-based bank limits are utilised at ~63% for 12 months ended December 31, 2025. The company's operating cycle remained stable and stood at 72 days in FY25 against 82 days in FY24.

Going forward, the company's liquidity position is expected to remain adequate considering healthy GCA against negligible debt repayment obligation and no debt funded capex plans.

### Applicable criteria

[Definition of Default](#)

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

[Rating Outlook and Rating Watch](#)

[Financial Ratios – Non financial Sector](#)

[Wholesale Trading](#)

### About the company and industry

#### Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Services	Services	Commercial services and supplies	Trading and distributors

MRDPPL was incorporated on December 09, 1997 and is engaged in trading and distributing (wholesale and retail) dairy products including SMP, WMP, dairy whitener, dairy creamer, ghee and butter, among others. The company started off as a sole proprietorship concern in 1940s by late Madan Mohan Dey, primarily focused on wholesale distribution of milk powder in local markets.

Brief Financials (₹ crore)	March 31, 2024 (A)	March 31, 2025 (A)	9MFY26 (UA)
Total operating income	672.99	805.04	639.00
PBILDT*	19.52	22.73	15.00
Profit after tax (PAT)	11.65	11.81	10.15
Overall gearing (x)	0.86	0.85	-
Interest coverage (x)	2.66	3.09	-

A: Audited UA: Unaudited; Note: these are latest available financial results

\*PBILDT: Profit before interest, lease rentals, depreciation and tax

**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	Coupon Rate (%)	Maturity Date	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit		-	-	-	100.00	CARE BBB+; Stable
Fund-based - LT-Term Loan		-	-	March 2027	2.34	CARE BBB+; Stable

**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-Term Loan	LT	2.34	CARE BBB+; Stable	1)CARE BBB+; Stable (06-Oct-25)	1)CARE BBB+; Stable (11-Sep-24)	1)CARE BBB+; Stable (03-Aug-23)	1)CARE BBB+; Stable (27-Sep-22)
2	Fund-based - LT-Cash Credit	LT	100.00	CARE BBB+; Stable	1)CARE BBB+; Stable (06-Oct-25)	1)CARE BBB+; Stable (11-Sep-24)	1)CARE BBB+; Stable (03-Aug-23)	1)CARE BBB+; Stable (27-Sep-22)

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

**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 for clarifications.

## Contact us

<p><b>Media Contact</b></p> <p>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></p> <p><b>Relationship Contact</b></p> <p>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></p>	<p><b>Analytical Contacts</b></p> <p>Arindam Saha Director <b>CARE Ratings Limited</b> Phone: +91-033- 40181631 E-mail: <a href="mailto:arindam.saha@careedge.in">arindam.saha@careedge.in</a></p> <p>Abhishek Khemka Associate Director <b>CARE Ratings Limited</b> Phone: +91-033- 40181647 E-mail: <a href="mailto:Abhishek.khemka@careedge.in">Abhishek.khemka@careedge.in</a></p> <p>Soumadip Kumar Lead Analyst <b>CARE Ratings Limited</b> E-mail: <a href="mailto:Soumadip.Kumar@careedge.in">Soumadip.Kumar@careedge.in</a></p>
--	--

### 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)

© 2026, CARE Ratings Limited. All Rights Reserved.

This content is being published for the purpose of dissemination of information required as per applicable law and regulations and CARE Ratings Limited holds exclusive copyright over the same. Any reproduction, retransmission, modification, derivative works or use or reference to the contents, in whole, in part or in any form, is prohibited except with prior express written consent from CARE Ratings Limited.

**For detailed Rating Report and subscription information,  
please visit [www.careratings.com](http://www.careratings.com)**