Arvind Dairy Private Limited

August 26, 2026

Facilities/Instruments	Name of the Regulator[1]	Amount (₹ crore)	Rating[2]	Rating Action
Long-term bank facilities	RBI	40.00	CARE BBB-; Stable	Assigned

Details of instruments/facilities in Annexure-1.

Rationale and key rating drivers

The rating assigned to the bank facilities of Arvind Dairy Private Limited (ADPL) derives strength from its experienced promoters and established track record of over two decades in the dairy industry, sustained growth in scale of operations supported by higher sales volumes and increase in sales realisation, established brand presence in Delhi, Uttar Pradesh, Haryana and Uttarakhand and a well-established procurement network. These rating strengths are however, partially offset by thin profitability margins, moderate financial risk profile, intense competition in the dairy industry impacting profitability and its susceptibility to volatility in milk prices and changes in government regulations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustainable improvement in total operating income (TOI) to above ₹600.00 crore and the improvement in profitability margin as marked by profit before interest, lease rentals, depreciation and taxation (PBILDT) margin of above 4.00% on a sustained basis.
- Sustained improvement in operational cash flows and liquidity position.

Negative factors

- Decline in scale of operations below ₹400.00 crore, along with profitability margin as marked by PBILDT margin below 2.00% on a sustained basis.
- Any major debt funded capex or increased reliance on working capital borrowings resulting in deterioration of overall gearing ratio to above 1x.

Analytical approach: Standalone

Outlook: Stable

The 'Stable' outlook reflects the CARE Ratings Limited's (CareEdge Ratings') expectation that the entity will continue to benefit from the promoters' extensive experience and its established relationship with the customers in domestic market and sustained growth in scale of operations.

Detailed description of key rating drivers

Key strengths

Experienced promoters and long track record of operations

Incorporated in 1998, the company is promoted by Arvind Kumar Gupta, Lalit Mohan Gupta and Abhishek Kumar Gupta. Over its nearly three-decade-long presence in the dairy industry, the company has established a strong relationship with its clientele and suppliers, as reflected from its growing scale of operations over the years. The company offers diversified range of dairy products, including paneer, tofu, cream, flavoured milk, ghee, curd and butter. These products are sold under the "Arlys" brand, except for ghee, which is marketed under the "Arvind" brand. The promoters have demonstrated their commitment to the business through timely infusion of funds to support operational and growth requirements. Furthermore, the company's day-to-day operations are overseen by an experienced and qualified professional management team, providing operational stability and continuity.

[1]SEBI: Securities and Exchange Board of India; RBI: Reserve Bank of India; MCA: Ministry of Corporate Affairs; IRDAI: Insurance Regulatory and Development Authority of India; PFRDA: Pension Fund Regulatory and Development Authority

[2]Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE Ratings Limited's publications.

Sustained growth in scale of operations

The company has exhibited sustained growth in its scale of operations, with total operating income (TOI) registering a CAGR of 26.43% during last four years ended FY26. TOI increased to ₹501.63 crore in FY26 from ₹377.12 crore in FY25, reflecting a y-o-y growth of ~33%. The growth was driven by increasing demand of dairy products, leading to full capacity utilisation of its manufacturing facility. Further, higher sales volumes across product categories, coupled with improved sales realisations, supported the company's operational performance during FY26. TOI is expected to increase in near-to-medium term due to high demand of products and constant increase in capacity of the company.

Established procurement and marketing network

The company benefits from an established milk procurement and marketing network spread across Delhi, Uttar Pradesh, Haryana and Uttarakhand. Its extensive procurement base comprising over 15,000 farmers ensures timely and adequate availability of raw milk while mitigating dependence on any particular geography or supplier. The company's well-developed marketing and distribution infrastructure supports broad market reach and customer retention. The integrated procurement, processing, and distribution framework provides operational efficiencies and remains a key competitive advantage, supporting scalability and continuity of operations.

Key weaknesses

Thin profitability margin

The company's profitability is thin, as reflected by PBILDT margin of 2.02% in FY26 (PY:2.35%). The moderation in profitability was primarily on account of higher raw material procurement costs and increased promotional expenses during FY26. . Additionally, the company incurs significant promotional and distribution-related expenses to support its market presence and strengthen its distribution network, which exerts additional pressure on margins. The company's operations remain exposed to fluctuations in raw material costs, while its ability to pass on cost escalations to customers is restricted by the competitive industry landscape.

Moderate financial risk profile

The company's net worth remained low and stood at ₹30.45 crore in FY26 (PY:₹26.88 crore). The company's overall capital structure remained satisfactory characterised by overall gearing stood at 0.92x in FY26 (PY:0.88x). This is mainly on account of increase in unsecured loans from promoters and working capital borrowings in FY26, to support business operations. Debt coverage indicators also remained moderate marked by total debt to gross cash accruals (TD/GCA) and interest coverage ratio stood at 4.03x and 3.95x, respectively, as on March 31, 2026, against 3.67x and 3.36x, respectively, in FY25. Going forward, debt coverage indicators are expected to improve owing to accretion of profits to networth and scheduled repayment of term debt obligations.

Exposed to intense competition and susceptibility to volatility in milk prices

The milk and milk products industry is characterised by intense competition from organized cooperatives, large private players, and unorganized sector participants, which exerts continuous pressure on profitability. Further, milk's supply and pricing remain sensitive to any adverse impact of environmental vagaries, disease outbreaks impacting the health of livestock and changes in government policies. These factors may bear an impact on scale as well as profitability of players operating in dairy industry.

Liquidity: Adequate

The liquidity position of the company is adequate marked by sufficient cushion in accruals vis-à-vis repayment obligations. The company is projected to generate GCA of ₹9.07 crore for FY27 against scheduled repayment obligations of ₹2.00 crore in the same year. The operating cycle of the company stood comfortable at 16 days during FY26. The average working capital utilization of the company remained around 69% for last twelve months ending May 2026. The company's liquidity profile is supported by buffer in unutilized working capital limits and infusion of USLs by promoters on need basis. The company has a planning to incur capex of ~₹20 crore funded in the debt equity ratio of 75:25. The company has sanctioned debt of ₹15 crore from HDFC bank and out of which already availed ₹4.5 crore as on date. Promoters will infuse their entire fund within couple of months into the project. Further, the promoters are planning to withdraw unsecured loan from the business of ~Rs. 5 crore owing to funds for new project will be infused into the business in form of equity share capital.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
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

ADPL was incorporated on October 06, 1998, is promoted by three brothers Arvind Kumar Gupta, Lalit Mohan Gupta and Abhishek Kumar Gupta. The company is a closely held family-owned enterprise, with all directors belonging to the promoter family. ADPL is engaged in the procurement, processing, and sale of milk and milk products. . The milk procurement unit of ADPL is located at Chharra, Aligarh UP and manufacturing facility is located at Hapur, UP, with an installed capacity of 1.50 lakh litres of milk per day. ADPL offers a diversified portfolio of dairy products, including paneer, tofu, flavoured milk, butter, cream, curd, and ghee. The products are marketed under the "Arlys" brand, except for ghee, which is sold under the "Arvind" brand. Leveraging its long operational track record and established procurement and distribution network, the company has developed a presence in the dairy market across northern India.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (UA)	Q1FY27 (UA)
Total operating income	377.12	501.63	129.37
PBILDT*	8.86	10.12	2.32
Profit after tax (PAT)	3.35	3.81	0.95
Overall gearing (x)	0.88	0.92	NA
Interest coverage (x)	3.36	3.95	4.16

A: Audited; UA: Unaudited; NA: Not Applicable, Note: these are latest available financial results. Q1FY27 refers (April 01, 2026 to June 30, 2026)

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

For complexity level of instruments rated refer to Annexure-1

Lender details: Annexure-4

Disclosure on facilities/instruments and name of the regulators:
A list of facilities / instruments falling under the purview of various financial sector regulators (FSRs) along with the names of respective FSRs has been duly disclosed by CareEdge Ratings on its website. A link to the same has been provided below for ready reference:

https://www.careratings.com/activities_and_regulators

Note: For facilities or instruments falling under the purview of FSRs other than Securities and Exchange Board of India (SEBI), the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Annexure-1: Details of instruments/facilities

Name of the Instrument	Name of the Regulator	Complexity Level	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-Bank Overdraft	RBI	Simple	-	-	-	-	5.00	CARE BBB-; Stable
Fund-based - LT-Cash Credit	RBI	Simple	-	-	-	-	8.50	CARE BBB-; Stable
Fund-based - LT-Term Loan	RBI	Simple	-	-	-	07-03-2033	26.50	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 2026-2027	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
1	Fund-based - LT-Cash Credit	LT	8.50	CARE BBB-; Stable				
2	Fund-based - LT-Bank Overdraft	LT	5.00	CARE BBB-; Stable				
3	Fund-based - LT-Term Loan	LT	26.50	CARE BBB-; Stable				

LT: Long term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Lender details

To view lender-wise details of bank facilities please click here

Annexure-5: List of entities consolidated: Not applicable

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

Media Contact	**Analytical Contacts**
Mradul Mishra Director **CARE Ratings Limited** Phone: +91-22-6754 3596 E-mail: mradul.mishra@careedge.in **Relationship Contact** Ankur Sachdeva Senior Director **CARE Ratings Limited** Phone: 912267543444 E-mail: Ankur.sachdeva@careedge.in	Sachin Mathur Director **CARE Ratings Limited** Phone: 91-120-4452054 E-mail: sachin.mathur@careedge.in Sandeep Aggarwal Associate Director **CARE Ratings Limited** Phone: +91-12-0445 2062 E-mail: Sandeep.aggarwal@careedge.in Lalit Malhotra Lead Analyst **CARE Ratings Limited** E-mail: Lalit.malhotra@careedge.in

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