



Press Release

Shree Warana Sahakari Dudh Utpadak Prakriya Sangh Ltd (SWS)

September 09, 2025

Ratings

Instrument Facility /	Amount (Rs. crore)	Current Ratings	Previous Ratings	Rating Action	Complexity Indicator
Long term Bank Facilities – Term loans	11.05 (Reduced from Rs. 19.27 crore)	IVR A/ Stable (IVR Single A with Stable Outlook)	IVR A/ Stable (IVR Single A with Stable Outlook)	Rating Reaffirmed	Simple
Long term Bank Facilities – Cash Credit	175.00	IVR A/ Stable (IVR Single A with Stable Outlook)	IVR A/ Stable (IVR Single A with Stable Outlook)	Rating Reaffirmed	Simple
Short Term Bank Facilities	10.00 (Reduced from Rs. 20 crore)	IVR A1 (IVR A One)	IVR A1 (IVR A One)	Rating Reaffirmed	Simple
Long Term/Short Term-Proposed	18.22	IVR A/Stable/IVR A1 (IVR Single A with Stable outlook and IVR A One)	--	Rating Assigned	Simple
Total	214.27 (Rupees Two hundred and fourteen crores and twenty-seven lakhs only)				

Details of Facilities/Instruments are in Annexure 1. Facility wise lender details are at Annexure 2. Detailed explanation of covenants is at Annexure 3.

Detailed Rationale

Infomerics Ratings has reaffirmed its rating assigned to the bank facilities of SWS considering the sustained performance in terms of revenue and profitability margins during FY24 (Audited, FY refers to the period from 1st April to 31st March) and FY25 (Provisional). The rating derives strength from extensive experience of the promoters in the dairy industry, comfortable financial profile, healthy business relationship with suppliers and the long term contracts with prime customers such as Indian Army, Mother Dairy, Mondelez etc which provide long-term revenue visibility. The ratings also consider the diversification of revenue stream across multiple product lines and over a wide geographic area, and favourable dairy industry growth prospects. However, the rating is constrained by stiff competition from other co-operatives, private players and unorganised sector pressurizing profitability of dairy companies, sensitivity



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to Skimmed Milk Powder (SMP) stock and institutional demand, and the exposure of milk production to external factors such as climatic conditions and cattle diseases. The revenues of dairy companies are also driven by Government regulations on pricing of milk and milk products.

The 'Stable' Outlook factors in the expectation of strong sales in the projected period, riding on the favourable brand presence in India and overseas and supported by strong goodwill enjoyed by it among the 450 villages in the Kolhapur region which supply milk to the society. Its large scale of operations will continue to be supported by its large processing capacity of 7 lakh litres of milk per day, as well as large capacities for other milk derivatives.

Key Rating Sensitivities:

Upward Factors

- Sustained and significant improvement in the scale and debt metrics.
- Optimizing the operating cycle to suitable levels thereby reducing dependence on external borrowings.

Downward Factors

- Any substantial decline in scale and/or profitability
- Stretch in the operating cycle thereby increasing dependence on the external borrowings ultimately impacting the debt metrics.

List of Key Rating Drivers with Detailed Description

Key Rating Strengths

- **Extensive experience of the promoters in the dairy industry**

The society is guided by a highly experienced leadership team with deep roots in the cooperative movement. It is chaired by Mr. Vinay Vilasrao Kore, who belongs to the third generation managing the dairy business and who was formerly Cabinet Minister for Non-Conventional Energy & Horticulture, Government of Maharashtra. He is supported by Mr. H.R. Jadhav, Vice Chairman and director since inception, who has played an active role in the society's growth. The management further benefits from the presence of Mr. Sudhir B. Kamerikar, Managing Director of the Milk Union, known in the co-operative sector for his strong financial acumen, micro-level costing knowledge, and dynamic leadership.



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Backed by this experienced team and supported by professional staff for day-to-day operations, the society has successfully built a wide product portfolio with a strong market presence across India.

- **Comfortable financial profile**

The society reported revenues of Rs. 1,279.72 crore in FY25 (Prov.), reflecting a growth of ~7.6% over Rs. 1,189.71 crore in FY24 (A), supported by higher sales of milk, shrikhand, and the newly launched Warana ice cream. It also secured an order from Maharashtra State Adivasi Vikas Vibhag (Palghar district), contributing ~9–10% of FY25 revenues. The debt profile remains comfortable, with borrowings largely limited to working capital facilities. The overall gearing stood at 0.63x as on March 31, 2025 (Prov.) against 0.56x in FY24, while TOL/ATNW was at 1.90x in FY25 (vs. 1.84x in FY24). The operating cycle remained stable at around 82 days, reflecting efficient working capital management.

- **Healthy business relationship with suppliers**

The society has established a healthy business relationship with the farmers in Kolhapur and Sangli region. Currently, approximately 2.87 lakh farmers connected to around 4000 Co operative societies are supplying milk to the society. More than 450 villages are connected with Warana dairy for supply of milk. The society procures around 7 lakh litres per day from its catchment area. It operates through Warana shops, milk booths, distributors and wholesalers. The society has been working for past 5 decades in the market and thereby connecting to the customers through network of 3047 wholesalers and 10,219 retailers including tie up with 168 D-Marts, 67 Star Bazars. Society has its own fleet of vehicles for procurement and distribution. Currently the society has more than 250 transportation routes for distribution of milk and milk products. For building and maintaining goodwill with farmers, the society has in-house veterinary team and tie up with doctors from College of Agriculture and Veterinary providing doorstep checkup and vaccination for cattle, with the farmers being offered these services free of charge.

- **Long term contracts with prime customers such as Indian Army, Mother Dairy, Mondelez provides revenue visibility and diversification of revenue stream**

M/s Cadbury India Ltd. has partnered with Warana Dairy for the production of Bournvita, Drinking Chocolate, and Cocoa Powder. Currently, ~78% of Cadbury India Ltd.'s total



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Bournvita production is undertaken at Warana Dairy. Key clients also include Indian Army (supplies being made since last 40 years), with milk supplied in batch sizes of 3 lakh litres, Mother Dairy (2 lakh litres a day of ice cream being supplied), Nestle and Britannia for skimmed milk power & milk, and Patanjali (for ghee). The society has successfully built a wide product portfolio—ranging from milk, ghee, cheese, paneer, and SMP to shrikhand and flavored milk—with a strong market presence across Maharashtra, Telangana, Andhra Pradesh, Karnataka, Goa and other states across India.

- **Favourable dairy industry growth prospects**

The Indian dairy industry is expected to continue to grow on the back of steady supply of milk, with India being the world's largest milk producer. Increase in demand for milk and milk products due to rising disposable income and increasing health consciousness are other positive factors.

Key Rating Weaknesses

- **Stiff competition from other co-operatives, private players and unorganised sector pressurizing profitability of dairy companies, sensitivity to SMP stock and institutional demand**

The milk and milk products industry are characterised by intense competition from co-operatives, large private players and unorganized players. This apart, the profitability of dairy entities also remains vulnerable to the skimmed milk powder inventories as well institutional demand, with any adverse movement in the same likely to have a bearing on their profitability. The society's profitability has remained under pressure with EBIDTA margins of 3.5% on average in the past fiscals while the net profit margins have remained around 2% in the past fiscals. Margin expansion will be a key monitorable, going forward.

- **Exposure of milk production to external factors such as climatic conditions and cattle diseases; as also to Government regulations on pricing of milk and milk products**

Milk availability is influenced to a great extent by agro-climatic conditions, which plays a major influence in the tropics. The industry is vulnerable to risks associated with the failure of milk production due to external factors like cattle diseases and extension of the lean



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season due to drought-like conditions, which ultimately affect milk availability and hence prices. In FY24, the company reported a 14.4% revenue decline to Rs.1189.71cr due to outbreak of lumpy skin disease which impacted milk output, as well as to lower realisations on butter and SMP.

The price of the dairy industry's raw material, milk, is sensitive to Government policies, environmental conditions, and epidemic-related factors.

Analytical Approach: Standalone

Applicable Criteria:

[Rating Methodology for Manufacturing Companies.](#)

[Criteria on assigning rating outlook](#)

[Policy on Default Recognition and Post-Default Curing Period](#)

[Complexity Level of Rated Instruments/Facilities](#)

[Financial Ratios & Interpretation \(Non-Financial Sector\).](#)

[Policy on Withdrawal of Ratings](#)

Liquidity –Adequate

The liquidity is adequate, marked by ~60% average utilisation of Rs. 175.00 crore fund-based limits during the past 12 months ended July 2025. Further, the society expects sufficient cushion in cash accruals against debt repayment obligation in next 3 years. The society has a comfortable current ratio and quick ratio of 1.56x and 1.09x respectively as of March 31, 2025 Prov. The unencumbered cash and bank balance of society stood at Rs. 81.45 crore as on March 31, 2025 (Prov.) indicating a comfortable liquidity position.

About the Society

SWS, established in 1968, is a cooperative society. It is engaged in milk processing and production of dairy products. SWS has 7 lac litres per day of milk processing capacity with multi product capabilities. It has one processing unit in Vashi (Navi Mumbai) and two in Kolhapur. The products are sold under the "Warana" brand name. Milk is available in the form of pasteurised milk, toned milk, flavour-enhanced milk, double-toned milk, sweetened condensed milk, UHT milk and also, they have yoghurt, ghee, cheese, paneer, skim milk



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powder, butter milk, cream, and Shrikhand. Maharashtra, Telangana, Andhra Pradesh, Karnataka, and Goa are the key states where SWS is present. Moreover, SWS works on projects for Mondelez India Foods Limited, and previously associated with Cadbury India Ltd, which produces cocoa powder and Bourn Vita. Also, it takes Mother Dairy's processing contracts for ice cream.

Financials (Standalone):

For the year ended/ As on*	(Rs. crore)	
	31-03-2024	31-03-2025
	Audited	Provisional
Total Operating Income	1189.71	1279.72
EBITDA	37.49	40.78
PAT	33.96	38.62
Total Debt	149.86	176.62
Tangible Net Worth	269.45	281.67
EBITDA Margin (%)	3.15	3.19
PAT Margin (%)	2.85	3.02
Overall Gearing Ratio (x)	0.56	0.63
Interest Coverage (x)	1.44	1.43

* Classification as per Infomerics' standards.

Status of non-cooperation with previous CRA: The rating has been continued under Issuer not co-operating category by Acuite Rating vide press release dated July 15, 2024 on account of account of information risk.

Any other information:

Rating History for last three years:

Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-25	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in T-3
					Date (June 11, 2024)	Date (March 28, 2023)	Date (Month XX, 20XX)
1.	Term loans	Long-term	11.05	IVR A /	IVR A /	IVR A /	--



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Sr. No.	Name of Security/Facilities	Current Ratings (Year 2025-26)			Rating History for the past 3 years		
		Type (Long Term/Short Term)	Amount outstanding (Rs. Crore)	Rating	Date(s) & Rating(s) assigned in 2023-25	Date(s) & Rating(s) assigned in 2022-23	Date(s) & Rating(s) assigned in T-3
					Date (June 11, 2024)	Date (March 28, 2023)	Date (Month XX, 20XX)
				Stable	Stable	Stable	
2.	Cash Credit	Long-term	175.00	IVR A / Stable	IVR A / Stable	IVR A / Stable	--
3.	Overdraft	Short-term	0.00	Withdrawn	IVR A1	--	--
4.	Bank guarantee	Short-term	10.00	IVR A1	IVR A1	IVR A1	--
5.	Proposed	Long-term/Short Term	18.22	IVR A / Stable /IVR A1	--	--	--

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About Infomerics:

Infomerics Valuation and Rating Ltd (Infomerics) [Formerly Infomerics Valuation and Rating Pvt. Ltd] was founded in the year 1986 by a team of highly experienced finance professionals for research and risk evaluation. Infomerics commenced its activities as External Credit Assessment Institution after obtaining registration from Securities Exchange Board of India (SEBI) and accreditation from Reserve Bank of India (RBI).

Adhering to best international practices and maintaining high degree of ethics, the team of analysts at Infomerics deliver quality credit ratings. Infomerics evaluates wide range of debt instruments which helps corporates access to financial markets and provides investors credit ratings backed by in-depth research. The transparent, robust, and credible ratings have gained the confidence of investors and the banks.

Infomerics has a pan India presence with Head Office in Delhi and Corporate Office at Mumbai, with branches in major cities and representatives in several locations.

Infomerics also has international presence with credit rating operations in Nepal through its JV subsidiary.

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Annexure 1: Instrument/Facility Details

Name of Facility	Date of Issuance	Coupon Rate/ IRR	Maturity Date	Size of Facility (Rs. Crore)	Rating Assigned/ Outlook
Term Loan	--	--	31 Jan.2027	1.56	IVR A/ Stable
Term Loan	--	--	31 Aug. 2026	1.39	IVR A/ Stable
Term Loan	--	--	31 Dec. 2026	1.79	IVR A/ Stable
Term Loan	--	--	30 Apr. 2031	6.31	IVR A/ Stable
Cash Credit	--	--	--	175.00	IVR A/ Stable
Bank guarantee	--	--	--	10.00	IVR A1
Proposed	--	--	--	18.22	IVR A/Stable/IVR A1

Annexure 2: Facility wise lender details

<https://www.infomerics.com/admin/prfiles/len-shreewarana-sep25.pdf>

Annexure 3: Detailed explanation of covenants of the rated Security/facilities: Not Applicable

Annexure 4: List of companies considered for consolidated/Combined analysis: NA

Note on complexity levels of the rated instrument: Infomerics has classified instruments rated by it on the basis of complexity and a note thereon is available at www.infomerics.com.