

February 04, 2021

The Punjab State Cooperative Milk Producers' Federation Limited: Ratings Withdrawn

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Long Term - Fund Based/ CC	140.00	140.00	[ICRA]BBB- (Negative); Withdrawn
Short Term - Fund Based	24.00	24.00	[ICRA]A3; Withdrawn
Short Term – Non-fund Based	20.08	20.08	[ICRA]A3; Withdrawn
Total	184.08	184.08	

*Instrument details are provided in Annexure-1

Rationale

ICRA is withdrawing the rating and it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. The Key rating drivers, Liquidity position, Rating sensitivities, Key financial indicators have not been captured as the rated instruments are being withdrawn. The previous detailed rating rationale is available at the following link:

[Click here](#)

Analytical approach

Analytical Approach	Comments
Applicable Rating Methodologies	Policy on Withdrawal of Credit Ratings Corporate Credit Rating Methodology
Parent/Group Support	Not applicable
Consolidation/Standalone	Standalone

About the company

Incorporated In 1973, Milkfed is a Cooperative Milk Producers' Federation, constituted under the Punjab Cooperative Societies Act 1961 to boost dairy farming in the state. The organisation setup follows a three-tier system: Milk Producers Cooperative Societies at the village level, Milk Unions at the district level and Federation as an apex body at the state level. The GoP holds a 48.8% stake in Milkfed and the member DMUs hold the remaining 51.2%. Currently, Milkfed sources milk from over 3.58 lakh members of around 6,679 village milk producers' cooperative societies. These villagelevel cooperatives work under 11 district milk producers' unions with 10 milk plants having a consolidated milk handling capacity of around 26 lakh litres per day. The flagship brand of Milkfed is Verka.

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2021)					Chronology of Rating History for the past 3 years		
		Type	Amount Rated	Amount Outstanding	Rating		FY2020	FY2019	FY2018
					Feb 04, 2021	Jul 17, 2020			
							-	Mar 26, 2019	-
1	Cash Credit	Long-term	140.00	-	[ICRA]BBB-(Negative); Withdrawn	[ICRA]BBB-(Negative)	-	[ICRA]BBB-(Stable)	-
2	Standby Line of Credit	Short-term	24.00		[ICRA]A3; Withdrawn	[ICRA]A3	-	[ICRA]A3	-
3	Letter of Credit	Short-term	5.00		[ICRA]A3; Withdrawn	[ICRA]A3	-	[ICRA]A3	-
4	Bank Guarantee	Short-term	15.00		[ICRA]A3; Withdrawn	[ICRA]A3	-	[ICRA]A3	-
5	Credit exposure limit	Short-term	0.08		[ICRA]A3; Withdrawn	[ICRA]A3	-	[ICRA]A3	-

Amount in Rs. crore

Complexity level of the rated instrument

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website [click here](#)

Annexure-1: Instrument details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (RS Crore)	Current Rating and Outlook
NA	Cash Credit	NA	NA	NA	140.00	[ICRA]BBB- (Negative); Withdrawn
NA	Standby Line of Credit	NA	NA	NA	24.00	[ICRA]A3; Withdrawn
NA	Letter of Credit	NA	NA	NA	5.00	[ICRA]A3; Withdrawn
NA	Bank Guarantee	NA	NA	NA	15.00	[ICRA]A3; Withdrawn
NA	Credit exposure limit	NA	NA	NA	0.08	[ICRA]A3; Withdrawn

Source: Company

Annexure-2: List of entities considered for consolidated analysis: Not applicable

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