

August 08, 2025

## Parag Milk Foods Limited: Rating withdrawn

### Summary of rating action

| Instrument*                | Previous rated amount<br>(Rs. crore) | Current rated amount<br>(Rs. crore) | Rating action  |
|----------------------------|--------------------------------------|-------------------------------------|--|
| NCD Programme <sup>^</sup> | 150.00                               | 150.00                              | [ICRA]BBB-; Rating Watch with Developing Implications; withdrawn |
| <b>Total</b>               | <b>150.00</b>                        | <b>150.00</b>                       |  |

\*Instrument details are provided in Annexure I; <sup>^</sup>Unlisted NCD

### Rationale

ICRA has withdrawn the rating assigned to Parag Milk Foods Limited's (PMFL) NCD programme at the request of the company, based on the no-objection certificate (NOC) received from the lender, and in accordance with ICRA's policy on withdrawal of credit ratings. However, ICRA 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rating drivers, liquidity position and rating sensitivities have not been captured as the rated instruments are being withdrawn.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 | <a href="#">Corporate Credit Rating Methodology</a><br><a href="#">Policy on Withdrawal of Credit Ratings</a>                                       |
| Parent/Group support            | Not applicable  |
| Consolidation/Standalone        | ICRA has considered the consolidated financials of PMFL. As on March 31, 2025, the company had two subsidiaries, which are enlisted in Annexure-II. |

### About the company

PMFL is promoted by the Shah family, who have been in the dairy business for more than two decades. It has three milk processing plants—one each at Manchar (Maharashtra), Palamner (Andhra Pradesh) and Sonipat (Haryana). PMFL is present across the supply chain of procurement, processing and marketing of liquid milk and milk products under its brands, Gowardhan, Go, Pride of Cows, Avvatar, Slurp and Topp Up. The dairy products manufactured and marketed by the company include clarified butter, cheese, butter, skimmed milk powder (SMP), curd, whey powder, yoghurt, ultra-high temperature (UHT) milk, flavoured milk and traditional dessert mixes.

Its wholly-owned subsidiary, Bhagyalaxmi Dairy Farms Private Limited's (BDFPL) unique farm-to-home initiative, branded as Pride of Cows, allows customers to access milk processed without any human interference using the latest technologies and best global practices. BDFPL has also introduced a range of certified organic fertilisers by commercialising cow manure.

**Key financial indicators (audited)**

| PMFL (consolidated)                                  | FY2024  | FY2025* | 3M FY2026* |
|--|---------|---------|------------|
| Operating income                                     | 3,138.7 | 3,432.2 | 851.5      |
| PAT  | 90.6    | 118.8   | 27.6       |
| OPBDIT/OI  | 6.4%    | 7.4%    | 6.8%       |
| PAT/OI   | 2.9%    | 1.8%    | 3.2%       |
| Total outside liabilities/Tangible net worth (times) | 1.1     | 1.0     | -          |
| Total debt/OPBDIT (times)                            | 3.2     | 2.6     | -          |
| Interest coverage (times)                            | 2.6     | 2.7     | -          |

Source: Company, ICRA Research; \*Results; All ratios as per ICRA's calculations; Amount in Rs. crore; PAT: profit after tax; OPBDIT: operating profit before depreciation, interest, taxes and amortisation

**Status of non-cooperation with previous CRA: Not applicable**
**Any other information: None**
**Rating history for past three years**

| Instrument                 | Current rating (FY2026) |                          |   |              |   | Chronology of rating history for the past 3 years |                       |              |                       |                       |                      |
|----------------------------|-------------------------|--------------------------|---|--------------|---|---|-----------------------|--------------|-----------------------|-----------------------|----------------------|
|                            | Type                    | Amount rated (Rs. crore) | FY2026  |              |   | FY2025  |                       | FY2024       |                       | FY2023                |                      |
|                            |                         |                          | Aug 8, 2025   | Date         | Rating  | Date  | Rating                | Date         | Rating                | Date                  | Rating               |
| Non-Convertible Debenture  | Long term               | 150.00                   | [ICRA]BBB-; rating watch with developing implications and withdrawn | Apr 08, 2025 | [ICRA]BBB-; rating watch with developing implications               | Apr 08, 2024                                      | [ICRA]BBB- (Negative) | May 10, 2023 | [ICRA]BBB- (Negative) | Dec 27, 2022          | [ICRA]BBB (Negative) |
|                            |                         |                          | -   | -            | -   | -   | -                     | -            | Jul 20, 2022          | [ICRA]BBB+ (Negative) |                      |
| Fund-based - Term loan     | Long term               | -                        | -   | Apr 08, 2025 | [ICRA]BBB-; rating watch with developing implications and withdrawn | Apr 08, 2024                                      | [ICRA]BBB- (Negative) | May 10, 2023 | [ICRA]BBB- (Negative) | Dec 27, 2022          | [ICRA]BBB (Negative) |
|                            |                         |                          | -   | -            | -   | -   | -                     | -            | Jul 20, 2022          | [ICRA]BBB+ (Negative) |                      |
| Working capital facilities | Long term               | -                        | -   | Apr 08, 2025 | [ICRA]BBB-; rating watch with developing implications and withdrawn | Apr 08, 2024                                      | [ICRA]BBB- (Negative) | May 10, 2023 | [ICRA]BBB- (Negative) | Dec 27, 2022          | [ICRA]BBB (Negative) |
|                            |                         |                          | -   | -            | -   | -   | -                     | -            | -                     | -                     |                      |

| Instrument                       | Current rating (FY2026) |                          |             |              |   | Chronology of rating history for the past 3 years |                                 |              |                                 |              |                                 |
|----------------------------------|-------------------------|--------------------------|-------------|--------------|---|---|---------------------------------|--------------|---------------------------------|--------------|---------------------------------|
|                                  | Type                    | Amount rated (Rs. crore) | FY2026      |              |   | FY2025  |                                 | FY2024       |                                 | FY2023       |                                 |
|                                  |                         |                          | Aug 8, 2025 | Date         | Rating  | Date  | Rating                          | Date         | Rating                          | Date         | Rating                          |
|                                  |                         |                          |             | -            | -   | -   | -                               | -            | -                               | Jul 20, 2022 | [ICRA]BBB+ (Negative)           |
| <b>Non-fund-based facilities</b> | Short term              | -                        | -           | Apr 08, 2025 | [ICRA]A3; rating watch with developing implications and withdrawn             | Apr 08, 2024                                      | [ICRA]A3                        | May 10, 2023 | [ICRA]A3                        | Dec 27, 2022 | [ICRA]A3+                       |
|                                  |                         |                          |             | -            | -   | -   | -                               | -            | -                               | Jul 20, 2022 | [ICRA]A2                        |
| <b>Unallocated</b>               | Long term/ Short term   | -                        | -           | Apr 08, 2025 | [ICRA]BBB-/ [ICRA]A3; rating watch with developing implications and withdrawn | Apr 08, 2024                                      | [ICRA]BBB- (Negative)/ [ICRA]A3 | May 10, 2023 | [ICRA]BBB- (Negative)/ [ICRA]A3 | Dec 27, 2022 | [ICRA]BBB (Negative)/ [ICRA]A3+ |
|                                  |                         |                          |             | -            | -   | -   | -                               | -            | -                               | Jul 20, 2022 | [ICRA]BBB+ (Negative)/ [ICRA]A2 |

### Complexity level of the rated instruments

| Instrument                                 | Complexity indicator |
|--|----------------------|
| <b>Non-convertible Debenture Programme</b> | Simple               |

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click here](#)

**Annexure I: Instrument details**

| ISIN         | Instrument name           | Date of issuance | Coupon rate | Maturity      | Amount rated (Rs. crore) | Current rating and outlook                                       |
|--------------|---------------------------|------------------|-------------|---------------|--------------------------|--|
| INE883N07011 | Non-convertible debenture | May 18, 2021     | 11.5%       | June 15, 2029 | 150.00                   | [ICRA]BBB-; Rating watch with developing implications; withdrawn |

Source: Company

**Annexure II: List of entities considered for consolidated analysis**

| Company name                           | PMFL's ownership | Consolidation approach |
|--|------------------|------------------------|
| Bhagalaxmi Dairy Farms Private Limited | 100.00%          | Full Consolidation     |
| Parag Middle East FZE                  | 100.00%          | Full Consolidation     |

Source: PMFL's Q4 FY2025 results

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### Branches



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