



I P O R E S E A R C H D E S K

RESEARCH REPORT DATED 11 AUGUST 2026

Milky Mist Dairy Food Limited

Mainboard IPO — Research Note

FMCG · Value-Added Dairy (cheese, paneer, curd, ice cream)

ISSUE DATES	11 – 13 August 2026
PRICE BAND	₹133 – ₹140 per share
LOT SIZE	107 shares (₹14,980 at upper band)
ISSUE SIZE	₹1,553 Cr (Fresh ₹1,428 Cr + OFS ₹125 Cr)

SECTOR FMCG — Value-Added Dairy	FINANCIALS Rev ₹3,145 Cr (FY26) · PAT ₹127 Cr · Rev CAGR 31%
VALUATIONS ~85x FY26 (post-issue) · rich premium to dairy peers	DEMAND Anchor ₹465 Cr · Day 2 1.52x · NII-led, QIB soft (0.4x)
GMP +₹24 / ~17% · exp. listing gain 10–15%	RECOMMENDATION APPLY (listing gains)

I P O R E S E A R C H D E S K

2. Executive Summary

Milky Mist is a value-added dairy FMCG brand — cheese, paneer, curd, butter, ghee, ice cream and frozen foods sold under the Milky Mist name, on an integrated farm-to-consumer model with its own milk sourcing and cold chain. FY26 revenue was ₹3,145 Cr with PAT of ₹127 Cr; the top line has compounded ~31% over two years and profit has scaled off a very low base as the value-added mix and brand pricing have kicked in. This is branded consumer dairy, not a commodity milk trader — which is the whole basis of the premium the market is being asked to pay.

The setup is a ₹1,553 Cr issue that is 92% fresh — a genuine rarity this window, and the opposite of the OFS-heavy sell-downs elsewhere. Nearly ₹1,428 Cr reaches the company, with the largest object being debt repayment (~₹497 Cr) against a balance sheet that is heavily geared. The anchor round is large and consumption-themed: ₹465 Cr (~30% of the issue) with a single big FPI (Zulia, 34% of the book) alongside Nippon, HDFC, ICICI Consumption/FMCG, Invesco Consumption, Motilal Consumption, plus IFC (World Bank) and PSP (Canada's pension board). The issue was fully covered by Day 2 (1.52x, NII-led) and GMP has firmed to ~17%.

Our call is APPLY, purely for listing gains — we peg the print at ~10–15% over ₹140. This is a brand-and-book trade, not a valuation call: at ~85x FY26 earnings the price is demanding and the leverage is real, so we play the listing and step aside. Demand is solid but not frenzied, so bHNI allotment should be relatively comfortable. For BHNI, bid the minimum ticket of 67 lots (7,169 shares) at ₹140 across every available PAN — while keeping the window's other issues (Behari Lal, Shiprocket) in the capital plan, as Section 13 sets out.

Recommendation	Listing-Day View
APPLY (listing gains)	Positive — expected listing gain ~10–15% over ₹140

3. Company Overview & Business Model

Milky Mist sells the parts of the dairy basket that carry a margin. Rather than fight in the commoditised liquid-milk trade, the company built a branded portfolio around value-added products — paneer and cheese first, then curd, butter, ghee, ice cream and frozen foods — where brand, format and shelf-life let it price above generic. Revenue is FMCG-style: a branded consumer product moving through modern trade, general trade and its own channels, with volume and premiumisation both contributing to growth.

The moat is the integrated chain. Milky Mist sources milk directly, processes at its Perundurai (Tamil Nadu) complex, and runs its own cold-chain distribution — the visi-coolers and freezers that this issue partly funds are how a perishable, branded dairy product actually reaches the point of sale intact. That vertical control is expensive to build and is the barrier a new branded entrant would have to clear. It is also capital-hungry, which is the other side of the story and shows up in the balance sheet.

What could break the model is not demand — value-added dairy is a structural grower — but the arithmetic of funding it. The company has grown by borrowing heavily, margins are still thin in absolute terms, and the equity base is small relative to the debt. The IPO is, in large part, the fix for that; whether the post-issue balance sheet can fund the next leg of growth without returning to heavy leverage is the question a holder would have to answer.

4. Market Position & Client Base

On positioning, Milky Mist is a credible national challenger brand in value-added dairy, strongest in the South and building out. In categories like paneer and cheese it competes with the large cooperatives (Amul) and a handful of private branded players, and its edge is a focused value-added portfolio plus the farm-to-shelf cold chain rather than the widest distribution. The brand has real equity in its home markets, which is what supports the premium pricing the P&L depends on.

The concentration risk here is less customer and more category and geography. The revenue base leans on a few value-added product lines and a regional core, so a demand wobble in cheese/paneer or a stronger competitive push from a deep-pocketed cooperative would be felt directly. The national roll-out and category extension are the diversification story, but they are also what the capex in this issue is funding — i.e., still ahead, not yet proven at scale. For a listing-window trade this is context; for the hold it is the growth-versus-competition question that the multiple is already pricing optimistically.

5. Geographic Distribution & Revenue Model

Milky Mist is a domestic consumption story — the demand driver is the Indian shift toward branded, value-added dairy, and there is little of the export or currency exposure that some issuers carry. Geographic risk is the reverse of most: it is concentration in a regional core, with the national build-out still in progress, rather than a spread-too-thin global footprint.

The revenue model is branded-FMCG volume plus premiumisation. Growth comes from three levers — more outlets, higher value-added mix, and price — layered on a category that is itself expanding structurally. That is an attractive top-line engine. The tension, addressed in the financials, is that converting that revenue into free cash has historically required heavy capital and heavy debt, so the quality of growth matters as much as its pace.

6. Product Innovation, Brand & Cold-Chain

For a value-added dairy brand, 'innovation' is product development and cold-chain reach rather than a lab. Milky Mist's growth has come from continually extending the value-added range — new formats and SKUs across cheese, paneer, curd, ice cream and frozen foods — and from pushing that perishable range deeper into trade through owned refrigeration. Part of the fresh proceeds (₹155 Cr) goes precisely into visi-coolers, ice-cream freezers and chocolate coolers: the physical assets that widen distribution for premium, chilled products.

The read-through for a listing call is that the premium multiple is, in effect, a bet on continued premiumisation and distribution expansion converting into margin. That is the bull case and the risk in one line — it is priced for the mix to keep improving. For the listing window itself, the product and cold-chain story is narrative support for the brand premium, not a near-term earnings swing.

7. IPO Structure & Use of Proceeds

Issue Structure

Particulars	Amount (₹ Cr)	% of Total
Fresh Issue	1,428	91.9%
Offer for Sale (OFS)	125	8.1%
Total Issue Size	1,553	100%

Use of Proceeds (Fresh Issue)

Objective	Amount (₹ Cr)	% of Fresh Issue
Debt repayment / prepayment	496.86	34.8%
Perundurai facility expansion & modernisation	469.24	32.9%
Visi-coolers, ice-cream freezers, chocolate coolers	155.31	10.9%
General corporate purposes	balance	—

The structure is the best feature of this issue. At 92% fresh, nearly all of the ₹1,553 Cr reaches the company — and the single largest use is paying down debt. This is the rare current-window issue where existing investors are not the story; the proceeds go to deleveraging and capacity. It does not make the ~85x price cheap, but it flips the usual OFS read: the sellers here are keeping their stock, not cashing out.

The public issue carries an anchor round of ₹465 Cr (~30% of the issue) placed ahead of opening, 46% of it to nine domestic mutual funds across thirteen schemes. The book is run by a three-member syndicate: JM Financial, Axis Capital and IIFL Capital Services. Track records are dissected in Section 10.

8. Financial Performance Analysis

Profit & Loss (₹ Cr)

Particulars	FY24	FY25	FY26	2Y CAGR
Revenue from Operations	1,826.86	2,354.79	3,145.01	31.2%
EBITDA	222.33	310.35	435.22	39.9%
EBITDA Margin (%)	12.2%	13.2%	13.8%	↑
PAT	19.44	46.07	127.01	155.6%
PAT Margin (%)	1.1%	2.0%	4.0%	↑

Balance Sheet (₹ Cr)

Particulars	FY24	FY25	FY26
Net Worth	197.05	242.77	378.00
Total Borrowings	1,036.72	1,376.38	1,671.85
Debt / Equity (x, pre-issue)	5.3	5.7	4.4
RoNW (%)	—	—	33.6%

The P&L is genuinely improving. Revenue compounded ~31% and EBITDA margin expanded every year from 12.2% to 13.8% — operating leverage and a richer value-added mix both working. PAT scaled from ₹19 Cr to ₹127 Cr, though the headline CAGR flatters a very low FY24 base; the real signal is that PAT margin is finally lifting off the floor (1.1% to 4.0%) as interest and depreciation get spread over a bigger revenue base. On the operating line, this is a business that is finding its economics.

The balance sheet is the counterweight, and it is stark. Total borrowings have climbed to ₹1,672 Cr against a net worth of just ₹378 Cr — pre-issue leverage north of 4x, extremely high for a consumer company. This is the number that makes the ~85x P/E doubly demanding: a big slice of EBITDA is being eaten by interest, which is exactly why PAT margins are so thin. The saving grace is the fresh issue: ₹1,428 Cr of new equity, with ~₹497 Cr earmarked for debt repayment, resets the balance sheet to a comfortable level post-listing. The deleveraging is real and is the strongest part of the investment case — but it is the IPO that fixes the leverage, not years of self-funded cash generation.

Read the two statements together and the name resolves: a fast-growing brand with improving margins, funded until now by a balance sheet stretched to its limit. The IPO is the reset button. You are paying ~85x for the growth and the brand, and trusting that the post-issue, deleveraged company can keep compounding without going back to the debt well.

9. Valuation

Valuation (at ₹140 upper band)

Metric	Value
Post-issue P/E (FY26)	~85x
RoNW (FY26)	33.6%
EBITDA Margin (FY26)	13.8%
Revenue CAGR (FY24–26)	31.2%
PAT CAGR (FY24–26)	~156% (off a low base)
Fresh Issue / Deleveraging	₹1,428 Cr fresh; ~₹497 Cr to debt repay

There is no way to call ~85x cheap. Listed dairy names — Dodla, Heritage Foods, Parag Milk — trade at a fraction of this multiple, because they are largely commodity-and-liquid-milk businesses. Milky Mist's defence is that it is a branded, value-added FMCG play with a materially higher growth rate and a premiumising mix, so the fair comparison is closer to branded packaged-foods multiples than to dairy-commodity ones. There is truth in that; there is also a large gap between ~85x and where even generous branded-foods peers trade.

So we are honest about what this is: the price already discounts years of margin expansion and successful national roll-out. The multiple offers no margin of safety, and with thin absolute PAT it is highly sensitive to any slip in the premiumisation story. That is precisely why our call is a listing-and-book trade rather than a valuation one — the setup is carried by the fresh-issue deleveraging, the consumption-fund anchor book and the GMP, not by the price being reasonable. For the listing window, the branded-FMCG framing and the scarcity of a pure value-added dairy play support demand; beyond it, the valuation does the opposite.

10. Demand, Anchor Quality & BRLM Track Record

10.1 Subscription Trajectory (live)

Category	Day 1 (11 Aug)	Day 2 (12 Aug, close)	Final (13 Aug)
QIB	0.41x	0.40x	pending
NII — bHNI (>₹10 L)	0.63x	2.36x (NII)*	pending
NII — sHNI (₹2–10 L)	1.65x	2.36x (NII)*	pending
Retail (RII)	1.01x	1.79x	pending
Employee	2.19x	—	pending
Overall	0.83x	1.52x	pending

*Day-2 NII was reported combined at 2.36x; the bHNI/sHNI split was not separately disclosed. The issue was fully covered by Day 2 (1.52x overall), led by NII at 2.36x and Retail at 1.79x, while QIB stayed soft at 0.40x. That shape — HNI and retail carrying the book while institutions hold back — tells you demand is solid but not stampeding. The final-day QIB fill is the one number left to watch; anchors already absorbed ₹465 Cr (~30% of the issue) before public bidding.

10.2 The bHNI Bid — quantity, price and allotment

The bHNI bucket is oversubscribed but only modestly — a couple of times over, not the double-digit crush of a red-hot issue — so allotment here should be relatively comfortable, and even a handful of applications has a fair shot. That said, the way to maximise the probability of an allotment is still to apply from every available PAN in the bHNI category.

The specific bid: 67 lots — 7,169 shares — at ₹140 (the upper end of the ₹133–140 band; NII must bid at the top, not cut-off), a blocked ₹10,03,660 per PAN, spread across every available PAN.

10.3 GMP

GMP has firmed to around ₹24, an indicated ~17% premium over the ₹140 band, pointing to a listing near ₹164 — up from ~14% at open as the book filled. We carry a ~10–15% expected gain, a haircut to the grey number to allow for the usual fade into listing and the soft QIB leg. We treat GMP as a sentiment read, not a transactable quote — it is unofficial, thin, and it moves fast. It tells you the direction of demand, not the settled listing price.

10.4 Anchor Quality — the backtest

Anchor	Prior Issues	Avg Listing Gain	Typical P/E Band
Aditya Birla Sun Life MF	142	~28%	~28x
Nippon India Mutual Fund	154	~27%	~75x
HDFC Mutual Fund	147	~24%	~49x
HSBC Mutual Fund	56	~20%	~50x
PSP Investment Board (Canada)	31	~31%	~35x

Anchor	Prior Issues	Avg Listing Gain	Typical P/E Band
Invesco	18	~31%	~12x
Zulia Investments / IFC	not in base	—	first-time / DFI

The book is large, marquee and consumption-themed — exactly the right money for a branded-dairy name. The specialist tilt is obvious: ICICI Bharat Consumption and FMCG funds, Invesco Consumption, Motilal Consumption and HSBC Consumption are all here, i.e. the funds whose mandate is precisely this category. Add deep-record generalists (Aditya Birla Sun Life, Nippon, HDFC) and two heavyweight institutions — IFC, the World Bank's private arm, and PSP, Canada's pension board (31 prior issues, ~31% average listing gain on our base). That is a serious list.

Two honest caveats. First, the single largest anchor, Zulia Investments (34% of the book, ~₹160 Cr), does not appear in our 7-year base — a large first-time FPI position with no track record to score, and enough concentration that its post-lock-in behaviour matters. Second, the valuation fit is a stretch: most of these anchors habitually buy in the ~28–50x P/E band on our data, and this issue is at ~85x. Read the book as strong thematic conviction in the consumption story, not as a valuation endorsement of the price. Strong anchor participation reduces listing risk; it does not guarantee a listing gain.

10.5 BRLM Track Record — the backtest

Lead Manager	IPOs (7Y)	Hit Rate	Avg Listing Gain
JM Financial	104	72%	18.5%
IIFL Capital Services	100	68%	17.1%
Axis Capital	114	70%	14.9%

A dependable, high-volume syndicate. JM Financial is the strongest hand — 104 mainboard issues at a 72% hit rate and ~18.5% average listing gain, a top-quartile record — with Axis (114 issues) and IIFL (100 issues) both deep and steady in the high-60s to low-70s on hit rate and mid-teens-plus on average gain. There is no weak leg here; all three have run three-figure issue counts and list in the black roughly seven times in ten. That is a book that has historically delivered the listing outcome. Strong anchor and BRLM records reduce listing risk; they do not eliminate it.

11. Risk Factors

Numbered, most material first. Valuation and leverage are the two we would lead with.



[PRIMARY CONCERN] Rich valuation with a thin earnings base

At ~85x FY26 earnings on a ~4% PAT margin, the price discounts years of margin expansion and national roll-out going right, and offers no margin of safety. Because absolute PAT is small, the multiple is acutely sensitive to any slip in premiumisation, competition, or milk-cost inflation. This is the reason the call is a listing trade and not a hold.

- 2. High pre-issue leverage.** Total borrowings of ₹1,672 Cr against ₹378 Cr net worth put pre-issue D/E above 4x — very high for a consumer company, and the reason interest has kept PAT margins thin. The fresh issue repairs this, but the business reached the IPO on a stretched balance sheet, and the deleveraging is IPO-funded rather than self-generated.
- 3. Single-brand, category and regional concentration.** The equity story rests on one brand and a value-added portfolio weighted to a few lines (cheese, paneer, curd) and a regional core. A competitive push from a deep-pocketed cooperative, or a demand wobble in a key category, would be felt directly.
- 4. Anchor concentration in one first-time FPI.** Zulia Investments holds ~34% of the anchor book (~₹160 Cr) and has no track record in our base. Heavy reliance on a single, unscored anchor adds uncertainty to how the locked stock behaves once free.
- 5. Milk-cost and input inflation.** Dairy margins are exposed to raw-milk procurement cost, which is seasonal and weather-sensitive. A cost spike that cannot be passed through quickly would compress the already-thin margins the valuation depends on.
- 6. Capex absorption.** A large part of proceeds funds Perundurai expansion and cold-chain assets. Returns on the new capacity are unproven; a slow ramp would weigh on the very margins and returns the premium multiple is pricing.
- 7. Working-capital intensity.** A perishable, cold-chain, branded-dairy model is working-capital and infrastructure heavy. Growth consumes cash, and sustaining the pace without leverage returning is an open question.



Listing Volatility

Even with a large, consumption-specialist anchor book and a credible BRLM syndicate, mainboard IPOs in the current regime have shown sharp swings on the listing print and through the first sessions. GMP is a moderate ~17% and the QIB leg stayed soft (0.4x) through Day 2; a weak final-day QIB fill, a soft open, or a broad-market gap-down can undo the setup. GMP is an unofficial, fast-moving read, not a guaranteed listing price. We do not consider this a risk-free recommendation.

12. Investment Strengths & Positive Indicators

Numbered, most relevant first.

- 1. Fresh-heavy, deleveraging issue.** At 92% fresh with ~₹497 Cr to debt repayment, nearly all the money reaches the company and resets a stretched balance sheet. This is the rare current-window issue that is not a promoter cash-out — the structure is a genuine positive.
- 2. Branded value-added dairy category leader.** A credible national challenger brand in a structurally growing category, with real brand equity and premium pricing power in its core — not a commodity milk trader.
- 3. Strong, improving operating economics.** ~31% revenue CAGR with EBITDA margin expanding every year (12.2% → 13.8%) and PAT margin lifting off the floor. The operating leverage is real and still early.
- 4. Integrated farm-to-shelf moat.** Direct milk sourcing, own processing and own cold-chain distribution — an expensive, hard-to-replicate vertical chain that underpins the branded, perishable portfolio.
- 5. Large, consumption-specialist anchor book.** ₹465 Cr (~30% of issue) led by consumption/FMCG-mandate funds plus IFC and PSP (Canada's pension board). The right thematic money for a branded-dairy name.
- 6. High-quality BRLM syndicate.** JM Financial (72% hit rate, ~18.5% average listing gain), Axis and IIFL — three deep, dependable books with no weak leg.
- 7. Post-issue balance sheet room.** Deleveraged and recapitalised, the company enters listing with the flexibility to fund the next leg of the roll-out — the growth runway the multiple is pricing.

13. Final Recommendation & Conclusion

R E C O M M E N D A T I O N

APPLY (listing gains)

The five pillars net out in favour for a listing trade, with the price the dissenting vote. Financial quality is a two-part story: strong, improving operating economics (31% growth, margins rising) sitting on a very stretched balance sheet that the issue repairs. Structure is a clear positive — 92% fresh, deleveraging, not an exit. Demand is solid — a ₹465 Cr consumption-specialist anchor book with IFC and PSP alongside, and the issue covered 1.52x by Day 2. GMP at ~17% is constructive. Valuation at ~85x is the pillar working against the issue, and it is the reason this is a trade and not a hold.

So the call is APPLY for listing gains — we expect a print ~10–15% over ₹140, with the exit on listing day. BHNI is only modestly oversubscribed, so allotment should be relatively comfortable. The specific action for BHNI: bid the minimum ticket of 67 lots (7,169 shares) at ₹140 — ₹10,03,660 blocked per PAN — across every available PAN.

Capital planning — the money you block today is stuck until the 14th

Timing is the trap this week. Milky Mist closes 13 August; the funds you block today sit under the UPI mandate until allotment on 14 August, so they cannot be recycled into the issues that close on the 14th. Two mainboards close that day and each needs a separate pool of capital. Shiprocket is open 12–14 August — a ₹1,617 Cr e-commerce-enablement issue that is still loss-making (FY26 net loss ~₹79 Cr, negative EBITDA), a very different risk profile from a listing-trade standpoint. Behari Lal Engineering also closes 14 August — its BHNI ticket is ~68 lots / 3,536 shares @ ₹285 = ₹10,07,760 per PAN. Budget a distinct pool for the 14th; do not assume the Milky Mist money frees up in time, because it does not.

This is not a risk-free recommendation. A strong anchor book does not guarantee listing gains — anchors are locked in and cannot support the price on day one — and at ~85x this name in particular needs the print to hold on listing day. Apply for the listing pop, take the print, and do not mistake a richly-priced, freshly-deleveraged brand for a cheap one.

BHNI Guidance

Investor Category	Guidance	Allocation Approach	Exit Window
BHNI	APPLY (listing gains)	Bid 67 lots (7,169 shares) @ ₹140 = ₹10,03,660 per PAN, across every available PAN; keep separate capital for 14-Aug closes (Shiprocket, Behari Lal)	Listing day (~10–15%)

14. Standard Disclaimer

The analysis presented herein is based on publicly available information and data as of the date of publication. Investors should conduct their own due diligence before making investment decisions. Past performance is not indicative of future results. The author does not guarantee the accuracy, completeness, or timeliness of the information provided. Investment in IPOs and equity markets involves substantial risk, including the risk of loss of principal. Market conditions, company performance, regulatory changes, and macroeconomic factors can significantly impact investment outcomes.

Past performance is not indicative of future returns.