



August 02, 2019

Compliance Department BSE Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai – 400 001	Compliance Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
Scrip Code: 539889	Scrip Symbol: PARAGMILK

Dear Sir/Madam

SUBJECT: UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2019

The Board of Directors of the Company at their Meeting held on August 02, 2019 has inter alia, considered and approved the Un-Audited Standalone and Consolidated Financial Results for the Quarter ended June 30, 2019.

Accordingly, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the following:

- Un-Audited Standalone and Consolidated Financial Results of the Company for Quarter ended June 30, 2019; and
- Limited Review Reports issued by the Statutory Auditors of the Company M/s. Haribhakti & Co. LLP, Chartered Accountants on the Un-audited Financial Results for the quarter ended June 30, 2019.
- Press Release with regard to the Un-Audited Financial Results of the Company for the Quarter ended June 30, 2019.

You are requested to kindly take the same on record.

For **PARAG MILK FOODS LIMITED**


Pritam Shah
Managing Director
DIN: 01124247



Encl: As above.

Parag Milk Foods Ltd.,

CIN-L15204PN1992PLC070209

Redg. Office : Flat No.1, Ground Floor, Pratibha Apartment, Nav Rajasthan CHS, Senapati Bapat Road, Behind Ratana Hospital, Pune Pin-411016. Phone: (020) 60308811

Corporate Office: 20th floor, Nirmal building, Nariman point, Mumbai - 400021 Tel.: 022-43005555 Fax: 022-43005580

Website: www.paragmilkfoods.com





Investor Release

For Immediate Release

Q1 FY20 Financial Performance

- ✓ Revenue growth of 14.6% YoY to Rs. 6,297 million
- ✓ EBITDA stood at Rs. 569 million with EBITDA margin of 9.0%
- ✓ PAT stood at Rs. 275 million with PAT margin of 4.4%

Mumbai, 2nd August, 2019: Parag Milk Foods Ltd., a leading manufacturer and marketer of dairy-based branded products in India announced its Unaudited Financial Results for the quarter ended 30th June 2019.

Performance Highlights for Q1FY20

Consolidated Revenue from Operations for Q1 FY20 reported a growth of 14.6% YoY to Rs. 6,297 million as compared to Rs. 5,494 million in Q1 FY19. Growth was driven by an increase in revenue from Milk Products by 16% YoY to Rs. 4,211 million.

The share of Milk Products for Q1FY20 is 67% of total revenue, while that of liquid milk was 18% and the same for Skimmed Milk Powder was 13%.

Gross Profit for Q1 FY20 registered a growth of 1% YoY to Rs. 1,684 million as compared to Rs. 1,668 million in Q1 FY19.

The compression in **Gross Margin** was mainly due to increase in milk procurement prices. Due to drought effect of last year and delayed monsoons, feed availability was severely constrained leading to stress at farmer level. Therefore, Raw Milk prices paid to farmers increased sequentially during the quarter. We have already passed on the raw milk price increase by combination of increased consumer prices and reduced trade discounts. The full effect of this correction will come from Q2 FY20.

EBITDA for Q1 FY20 de-grew by 4.6% YoY to Rs. 569 million as compared to Rs. 596 million in Q1 FY19. EBITDA Margin for Q1 FY20 stood at 9.0% which was impacted mainly due to decline in Gross margins

PAT for Q1 FY20 stood at Rs. 275 million as compared to Rs. 283 million in Q1 FY19. PAT Margin were healthy at 4.4% in Q1 FY20

Key Updates of the Quarter:

1. New Product Launch - Avvatar Rapid

Key Features –

- Only hydration drink in the category fortified with whey protein
- Ideal intra-workout drink with a combination of glucose and Maltodextrin
- Provides quick replenishment of lost electrolytes caused by sweat loss during intense training/workouts
- Instant release of high-quality whey protein to help reduce muscle fatigue and repair damaged muscles and boost performance
- Available in 3 flavours – Lemon, Watermelon and Orange



Sport Nutrition Market Size – Rs. 1,400 – 1,600 Crs, Growing at more than 25% CAGR

2. Launch of Pride of Cows in Singapore

Key Features –

- Milk will be transported via air from the Pune farm to Singapore
- Singapore enjoys a reputation as a place for the well-heeled and has one of the largest per capita incomes in the world. It is also known for its established wealthy households and emerging affluent millennials who are looking for transformational experiences that fulfil their aspirations, making Singapore an ideal region for the expansion of Pride of Cows



Future Plans –

- Aim to double the Pride of Cows revenues in the next 2 years
- Plan is to expand the product portfolio by introducing new milk variants under Pride of Cows

3. GO Cheese Product Campaign – Har Tasty Cheez Mein Go Cheese

Key Features –

- The campaign emphasizes on Go Cheese as being a common ingredient in everyday recipes
- The new campaign is an effort to educate consumers on Go Cheese being the key ingredient in most loved dishes like pizza, fries, burgers and street food, which is being consumed almost every day out of the home at various QSRs & hotel chains
- It connects with consumers by highlighting how Go Cheese makes all their favourite meals tastier by being presented to them in different ways and styles like grated, sliced, dips and sauces
- One can check the TVC on YouTube: <https://www.youtube.com/watch?v=R5DoewJqX1g>



Commenting on the performance, Mr. Devendra Shah, Chairman said “This quarter has witnessed a subsequent increase in milk prices owing to a drought scenario and a delayed monsoon which have posed challenges to the farmer community in the form of increased feed costs. Parag being focused on consumer products, we have been able to successfully pass on the increased raw milk prices by reducing trade schemes and discounts as well as increasing the consumer prices of our products. Our brand strength and consumer pull has helped us in passing on these price increases with ease. Despite this pressure on gross margins, our EBITDA and PAT margins continue to remain on track as per our Vision 2020 due to our continued focus on manufacturing efficiencies, cost control and launching innovative value-added products. We will continue to invest behind expanding our distribution and strengthening our brands to continue our growth momentum going forward.”



About Parag Milk Foods Ltd:

Parag Milk Foods Limited, established in 1992, is the largest private dairy FMCG Company with a pan-India presence. We have our own manufacturing facilities with in-house technology which are strategically located at Manchar in Maharashtra, Palamaner in Andhra Pradesh and Sonipat in Haryana.

We sell 100% cow's milk products which are healthy and nutritious. Our integrated business model and strong R&D capabilities has helped us emerge as the leader in innovation.

Our dairy farm, Bhagyalaxmi Dairy Farm Private Limited house more than 2,500 Holstein Friesian cows, with a mechanized milking process. Under brand "Gowardhan", we offer traditional products like Ghee, Dahi, Paneer etc. while under brand name "Go" we offer products like cheese, UHT milk, buttermilk, lassi, yoghurt etc.

"Pride of Cows", the flagship brand of Parag Milk Foods was introduced with a proposition of Farm to Home concept targeted towards customers seeking premium quality cow milk. The Company also forayed into dairy based beverages with the launch of "Topp Up" and "Slurp" - a mango drink with a dash of milk. Recently the Company has also ventured into B2C segment for Whey Protein with the brand Avvatar – India's 1st 100% vegetarian whey protein, first of its kind manufactured in India.

Our goal is to become the largest dairy FMCG company that emphasizes on health and nutrition to consumers through innovation.

Safe Harbor Statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further information please contact:

Company	Investor Relations Advisors
<p>Parag Milk Foods Ltd Natasha Kedia Head - Investor Relations Email ID: natasha.kedia@paragmilkfoods.com Tel. No.: +91 22 43005555/ Ext: 631</p>	<p>Strategic Growth Advisors Pvt. Ltd. Rohan Adhiya Email ID: rohan.adhiya@sgapl.net Tel No: +91 9833219522</p>

Independent Auditor's Review Report on quarterly and year to date Unaudited Standalone Financial Results of Parag Milk Foods Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

**To the Board of Directors
Parag Milk Foods Limited**

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of **Parag Milk Foods Limited** ("the Company") for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

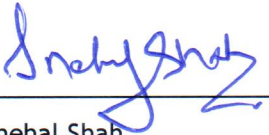


4. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Snehal Shah

Partner

Membership No.: 048539

UDIN: 19048539AAAAAN4189



Place: Mumbai

Date: August 2, 2019



Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital, Pune, Pin- 411016, Maharashtra, India

CIN:L15204PN1992PLC070209, Website: www.paragmilkfoods.com, Email id: investors@paragmilkfoods.com

Statement of Standalone Unaudited financial results for the quarter ended June 30, 2019

Particulars	Amounts ₹ in Millions			
	Quarter ended		Year ended	
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	Unaudited	Audited (Refer Note 5)	Unaudited	Audited
Revenue from Operations	6,161.84	6,599.52	5,380.15	23,461.31
Other Income	13.12	13.21	12.44	40.49
Total Income	6,174.96	6,612.73	5,392.59	23,501.80
Expenses				
Cost of Materials consumed	3,842.09	4,113.47	3,280.94	14,940.41
Purchase of Stock-in-trade	849.12	552.00	64.54	1,482.79
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(156.05)	(1.37)	439.66	(58.25)
Employee benefits expenses	259.29	251.92	198.57	925.53
Finance Costs	92.79	77.93	101.31	356.68
Depreciation and amortisation expenses	127.77	87.95	130.80	481.37
Other expenses	795.12	1,239.50	821.19	3,995.82
Total Expenses	5,810.13	6,321.40	5,037.01	22,124.35
Profit from ordinary activities after finance costs and before exceptional items	364.83	291.33	355.58	1,377.45
Exceptional items	-	-	-	-
Profit before tax	364.83	291.33	355.58	1,377.45
Tax expense/(credit)				
- Current tax (Net of prior year tax)	98.94	(45.41)	110.07	341.11
- Deferred tax	(6.31)	50.99	(19.43)	(104.19)
Profit after tax	272.20	285.75	264.94	1,140.53
Other comprehensive income				
Items that will not be reclassified to profit or loss				
- Remeasurement (loss)/gain on post employee benefit obligation	0.39	5.02	(1.16)	1.55
- Income tax on remeasurement of post benefit obligation	(0.14)	(1.75)	0.40	(0.54)
Total comprehensive income	272.45	289.02	264.18	1,141.54
Paid-up equity share capital (face value of Rs 10/- each)	839.39	839.39	838.88	839.39
Reserve excluding revaluation reserve as per balance sheet of previous accounting year				7,411.63
Earnings per share (not annualised)				
- Basic (in Rs.)	3.24	3.40	3.16	13.59
- Diluted (in Rs.)	3.24	3.39	3.15	13.56

See accompanying notes to the Standalone Unaudited financial results



Notes to the Parag Milk Foods Limited Standalone Unaudited financial results:

- 1 The Standalone Unaudited Financial Results for the quarter ended June 30, 2019 of Parag Milk Foods Limited ("the Company") have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their meeting held on August 02 2019 and are available on the Company's website - <https://www.paragmilkfoods.com> and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 2 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind-AS) as specified under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 Based on guiding principles given in Ind-AS 108 on "Operating Segments", the Company's business activity falls within a single Operating Segment namely, "Milk and Milk Related Products" and hence, the disclosure requirements of Ind AS 108 are not applicable.
- 4 The Company has adopted modified retrospective approach as per para C8 (c)(ii) of "IND AS 116 - Leases" to its leases, effective from annual reporting period beginning April 01, 2019. This has resulted in recognizing a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of Rs. 2.05 million as at April 01, 2019. In the Statement of Profit and Loss for the current quarter, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability.
To this extent, performance for the current quarter June 30, 2019 is not comparable with previous quarter results. Reconciliation for the above effect on Statement of Profit and Loss for the current quarter June 30, 2019 as follows:


(₹ in Millions)			
Adjustments to increase / (decrease) in net profit	Quarter ended June 30, 2019 comparable basis	Changes due to IND AS 116 increase/ (decrease)	Quarter ended June 30, 2019 as reported
Other expenses	789.48	(5.64)	795.12
Finance costs	92.28	0.51	92.79
Depreciation and amortisation expense	123.37	4.40	127.77
Profit before tax	364.10	(0.73)	364.83

- 5 The figures of the March 2019 quarter are the balancing figures between audited figures for the full financial year and the published year to date figures upto the third quarter of the financial year.
- 6 Previous quarter / year figures have been regrouped/reclassified wherever necessary to correspond with the current quarter / year classification / disclosure.

Place: Mumbai
Date: August 02, 2019



For Parag Milk Foods Limited


Pritam Shah
Managing Director
DIN No. 01127247

Independent Auditor's Review Report on quarterly and year to date Unaudited Consolidated Financial Results of Parag Milk Foods Limited pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To The Board of Directors

Parag Milk Foods Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Parag Milk Foods Limited ("the Parent") and its subsidiary (the Parent and its subsidiary together referred to as "the Group"), for the quarter ended June 30, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of the personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.



4. The Statement includes the results of the following entities:

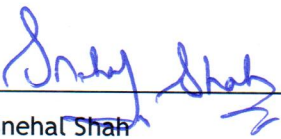
Sr. No.	Name of the entity	Relationship
1	Parag Milk Foods Limited	Parent Company
2	Bhagalaxmi Dairy Farm Private Limited	Subsidiary Company

5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048


Snehal Shah

Partner

Membership No.: 048539

UDIN: 19048539AAAAO3926



Place: Mumbai

Date: August 2, 2019



Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital, Pune, Pin- 411016, Maharashtra, India

CIN:L15204PN1992PLC070209, Website: www.paragmilkfoods.com, Email id: investors@paragmilkfoods.com

Statement of Consolidated Unaudited financial results for the quarter ended June 30, 2019

Particulars	Amounts ₹ in Millions			
	Quarter ended		Year ended	
	30-Jun-19	31-Mar-19	30-Jun-18	31-Mar-19
	Unaudited	Audited (Refer Note 5)	Unaudited	Audited
Revenue from Operations	6,297.39	6,721.53	5,494.24	23,956.64
Other Income	28.13	63.33	17.79	102.63
Total Income	6,325.52	6,784.86	5,512.03	24,059.27
Expenses				
Cost of Materials consumed	3,919.87	4,201.22	3,354.84	15,210.70
Purchase of Stock-in-trade	849.12	552.00	64.54	1,482.79
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(156.05)	(22.06)	407.18	(119.87)
Employee benefits expenses	267.12	258.86	204.23	949.94
Finance Costs	93.15	78.05	101.42	357.88
Depreciation and amortisation expenses	132.90	94.17	135.50	501.85
Other expenses	848.81	1,294.25	867.22	4,198.12
Total Expenses	5,954.92	6,456.49	5,134.93	22,581.41
Profit from ordinary activities after finance costs and before exceptional items	370.60	328.37	377.10	1,477.86
Exceptional items	-	-	-	-
Profit before tax	370.60	328.37	377.10	1,477.86
Tax expense/(credit)				
- Current tax (Net of prior year tax)	100.27	(37.12)	114.23	362.67
- Deferred tax	(4.76)	52.63	(19.82)	(92.00)
Profit after tax	275.09	312.86	282.69	1,207.19
Other comprehensive income				
Items that will not be reclassified to profit or loss				
- Remeasurement (loss)/gain on post employee benefit obligation	0.37	4.98	(0.66)	1.49
- Income tax on remeasurement of post benefit obligation	(0.13)	(1.74)	0.23	(0.52)
Total comprehensive income	275.33	316.10	282.26	1,208.16
Paid-up equity share capital (face value of Rs 10/- each)	839.39	839.39	838.88	839.39
Reserve excluding revaluation reserve as per Balance Sheet of previous accounting year				7,431.98
Earnings per share (not annualised)				
- Basic (in Rs.)	3.28	3.73	3.37	14.39
- Diluted (in Rs.)	3.28	3.72	3.36	14.36

See accompanying notes to the consolidated unaudited financial results



Notes to the Parag Milk Foods Limited Consolidated unaudited financial results:

- 1 The Consolidated unaudited Financial Results for the quarter ended June 30, 2019 of Parag Milk Foods Limited ("the Company") and its subsidiary (Bhagyalaxmi Dairy Farms Private Limited), hereinafter together known as Group, have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their meeting held on August 02, 2019 and are available on the Company's website - <https://www.paragmilkfoods.com> and on the websites of BSE (www.bseindia.com) and NSE (www.nseindia.com).
- 2 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind-AS) as specified under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 Based on guiding principles given in Ind-AS 108 on "Operating Segments", the Group business activity falls within a single Operating Segment namely, "Milk and Milk Related Products" and hence, the disclosure requirements of Ind AS 108 are not applicable.
- 4 The Group has adopted modified retrospective approach as per para C8 (c)(ii) of "IND AS 116 - Leases" to its leases, effective from annual reporting period beginning April 01, 2019. This has resulted in recognizing a right of use assets (an amount equal to the lease liability, adjusted by the prepaid lease rent) of Rs. 2.16 Million as at April 01, 2019. In the Statement of Profit and Loss for the current quarter, operating lease expenses has changed from rent to depreciation cost for the right of use assets and finance cost for interest accrued on lease liability. To this extent, performance for the current quarter June 30, 2019 is not comparable with previous quarter results. Reconciliation for the above effect on Statement of Profit and Loss for the current quarter June 30, 2019 as follows:

Adjustments to increase / (decrease) in net profit	(₹ in Millions)		
	Quarter ended June 30, 2019 comparable basis	Changes due to IND AS 116 increase/ (decrease)	Quarter ended June 30, 2019 as reported
Other expenses	843.02	(5.79)	848.81
Finance costs	92.55	0.60	93.15
Depreciation and amortisation expense	128.37	4.53	132.90
Profit before tax	369.94	(0.66)	370.60

- 5 The figures of the March 2019 quarter are the balancing figures between audited figures for the full financial year and the published year to date figures upto the third quarter of the financial year.
- 6 Previous quarter / year figures have been regrouped/reclassified wherever necessary to correspond with the current quarter / year classification / disclosure.

Place: Mumbai
Date: August 02, 2019



For Parag Milk Foods Limited


Pritam Shah
Managing Director
DIN No. 01127247