PARAG

Ideas for a new day

November 09, 2020

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 AND HALF YEAR ENDED SEPTEMBER 30, 2020.

The Board of Directors of the Company at their Meeting held on **November 09, 2020** has inter alia, considered and approved the Un-Audited Standalone and Consolidated Financial Results for the Quarter and Half year ended September 30, 2020.

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

- Un-Audited Standalone Financial Results of the Company for quarter and half year ended September 30, 2020 ; and
- Un-Audited Consolidated Financial Results of the Company for quarter and half year ended September 30 , 2020 and
- Limited Review Reports issued by the Statutory Auditors of the Company M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No. 109982W).
- Press Release with regard to the Un-Audited Financial Results of the Company for the quarter and half year ended September 30, 2020.

You are requested to kindly take the same on record.

For **PARAG MILK FOODS LIMITED**

Pritam Shah
Managing Director
DIN: 01124247

PARAG MILK FOODS LTD.

Encl: As above.

Parag Milk Foods Ltd.,
CIN-L15204PN1992PLC070209
Regd. Office: Flat No. 1 Plot No. 19, Nav Rajasthan Co-Op Housing Society, Behind Ratna Memorial Hospital, Senapati Bapat Road, Shivaji Nagar, Pune - 411016. Ph.. +91 72764 70001
Corporate Office: 20th floor, Nirmal building, Nariman point, Mumbai - 40021 Tel.: 022-43005555 Fax: 022-43005580
Website: www.paragmilkfoods.com | email: investors@paragmilkfoods.com

PARAG
Ideas for a new day

Investor Release **For Immediate Release**

Parag Milk Foods Ltd. Q2 FY21 Financial Performance

- ✓ Revenue stood at Rs. 4,982 million
- ✓ EBITDA stood at Rs. 415 million with EBITDA margin of 8.3%
- ✓ PAT stood at Rs. 159 million with PAT margin of 3.2%

Mumbai, 9th November 2020: Parag Milk Foods Ltd., a leading manufacturer and marketer of dairy-based branded products in India announced its unaudited financial results for the quarter and half year ended 30th September 2020.

Performance Highlights for Q2 FY21

Consolidated Revenue from Operations for Q2 FY21 saw a sequential uptick of 14.4% QoQ to reach Rs. 4,982 million as compared to Rs. 4,356 million in Q1 FY21.

The Company has ensured uninterrupted milk procurement from our farmer network. With the gradual easing of the lockdown restrictions across domestic markets and the reopening of state borders, we witnessed early signs of demand revival. Consumers have become increasingly health-conscious and favour trusted brands during these uncertain times. Home consumption of our core categories, ghee, butter, paneer and cheese, has seen significant increase in the pandemic period.

The pandemic has had an impact on the HORECA segment, which has faced an unprecedented disruption. Though there has been a slight uptick this quarter, volumes continued to be subdued in Q2 FY21. However, due to the easing of several restrictions, the HORECA business is gradually picking up.

Gross Profit for Q2 FY21 stood at Rs. 1,346 million, up 19.9% QoQ as compared to Rs. 1,123 million in Q1 FY21. Gross margins stood at 27.0% in Q2 FY21, highest in the last six quarters, up 120 bps QoQ as compared to 25.8% in Q1 FY21. Milk procurement prices have remained soft during the quarter. Going forward, procurement prices are expected to remain stable with the onset of the flush season, backed by good monsoons and ample availability of water and green fodder.

The share of Milk Products for Q2 FY21 is 69.7% of total revenue, while that of liquid milk was 9.7% and the same for Skimmed Milk Powder was 18.0%.

EBITDA for Q2 FY21 stood at Rs. 415 million, an increase of 39.6% QoQ as compared to Rs. 297 million in Q1 FY21. EBITDA margins expanded 150 bps QoQ in Q2 FY21 to 8.3% as compared to 6.8% in Q1 FY21. We continue to focus on cost rationalization and productivity enhancement measures.

PAT for Q2 FY21 stood at Rs. 159 million as compared to Rs. 32 million in Q1 FY21. PAT Margin stood at 3.2% as compared to 0.7% in Q1 FY21.

New Product Launches in Ghee and Curd (Dahi)

Gowardhan Star Dahi (Curd)

- During the quarter, we launched ***'Star Cup Dahi'*** through the Liquid Milk channel in Mumbai & Pune.
- We will also be expanding its distribution in Surat, Baroda, Bangalore, Chennai, and Delhi.

Pride of Cows (Curd)

- Pride of Cows curd is made from pure Pride of Cows milk, which is unmatched in its quality and freshness, and is derived from the Company's own farm.
- Curd will be delivered to the consumer's doorstep through a completely contact-free process that involves a fully automated milking and production system and a cold chain network that maintains a constant temperature throughout, in order to retain the curd's flavour and aroma.
- ***'Pride of Cows Curd – Full of Love'*** is available in Mumbai, Pune, Delhi and Surat, and will be priced at Rs. 80/- for 320 gms. The product would initially be available to Pride of Cows customers under the subscription-based model followed by placement in select outlets.
- Pride of Cows Curd has a thick and creamy texture and is high in nutrients such as protein and calcium. Given that it is made from Pride of Cows milk, a first-of-its kind superior, farm-to-home milk, it caters to consumers who believe in consuming healthy and nutritious products that are natural and pure.

PARAG
Ideas for a new day

Pride of Cows (Ghee)

- ***Pride of Cows single origin ghee*** is made to achieve the perfect balance of aroma and texture to ensure that our consumers experience all the goodness of pure ghee.
- Being single origin makes our ghee differentiated from all other ghee in the market and we are confident that our consumers will enjoy the natural flavour of this premium quality ghee which promises taste that is distinct, texture which is smooth and aroma which is perfect.
- The Pride of Cows brand is targeted towards consumers who believe in leading a healthy lifestyle through the consumption of natural and pure products. The Pride of Cows Single Origin Ghee is available in 1 litre & 500 ml priced at Rs. 1,500/- and Rs. 780/- respectively.
- The product would initially be made available to our consumers of Pride of Cows under a subscription model and later rolled out to select outlets as well as e-commerce platforms.

Marketing Campaigns & Consumer Engagement Initiatives

Pride of Cows Celebrity Endorsement

- Appointed ace **Bollywood celebrity Kareena Kapoor Khan** for our premium, subscription based, unique farm-to-home offering under the brand ***'Pride of Cows'.***
- Collaboration will help enhance the brand's reach and increase awareness amongst consumers that are looking for quality, fresh and pure products.

Link 1 – Click Here

Link 2 – Click Here

Gowardhan Ghee & Go Cheese

- Campaigns on Hindi, Gujarati, Marathi & Bengali News channels for the festive season.
- Sponsorship on Bappa Majha 2020 during Ganesh Chaturthi with top Marathi News Channel ABP Majha
- Campaign in Maharashtra on top Marathi regional movie channels such as Zee Talkies SD & HD, during the Zee Talkies Comedy Awards 2020
- Live Brand integration in the show/skit and an opportunity to see a short audio visual about how the Company has aggressively helped people during this pandemic

Commenting on the performance, Mr. Devendra Shah, Chairman said *"We are pleased to report steady results during the quarter, with a sequential revenue growth of 14.4% QoQ. This was on the back of a healthy recovery in demand as the country moved into the unlock phase. We were able to sustain certain cost-optimisation and productivity enhancement measures implemented during the pandemic that enabled us to report improved profitability with EBITDA margins expanding 150 bps QoQ to 8.3% in Q2 FY21. During this difficult period, we have ensured uninterrupted milk procurement from our farmer network.*

In line with our commitment of meeting evolving consumer needs and providing health and nutrition to consumers across the country, we have enhanced our premium, subscription based, unique farm-to-home offering 'Pride of Cows' through the addition of the perfect curd and single origin ghee to the product mix, during the quarter. Further, we have also collaborated with ace Bollywood celebrity, Kareena Kapoor, for 'Pride of Cows'. This collaboration will help enhance the brand's reach and increase awareness amongst consumers that are looking for quality, fresh and pure products. Consumers have become increasingly conscious about the food they consume and there is a big shift in preference towards trusted brands. In-home consumption of our core categories, such as, ghee, butter, paneer, and cheese, has seen significant increase in the pandemic period.

The Company has delivered a steady and encouraging performance in the wake of a challenging economic environment. With the re-opening of hotels, restaurants, and offices, we are seeing a gradual revival in demand on a month-to-month basis, even in the HORECA segment, which has faced unprecedented disruption on account of the pandemic. Milk procurement prices are expected to remain stable going ahead with the onset of the flush season, backed by good monsoons and ample availability of water and green fodder. We expect that the upcoming festive season will lead to an improvement in the consumer sentiment, which will result in an increase in the demand for our products."

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 have helped us emerge as the leader in innovation.

Our dairy farm, Bhagyalaxmi Dairy Farm Private Limited houses 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 premium brand of Parag Milk Foods was introduced with a proposition of Farm-to-Home concept targeted towards customers seeking premium quality cow milk. Recently the Company has also ventured into the 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 details please contact:

Company	Investor Relations Advisors
Parag Milk Foods Ltd	**Strategic Growth Advisors Pvt. Ltd.**
Natasha Kedia Head - Investor Relations	Deven Dhruva / Varun Divadkar
Email ID: natasha.kedia@paragmilkfoods.com	Email ID: deven.dhruva@sgapl.net / varun.divadkar@sgapl.net
Tel. No.: +91 22 43005555/ Ext: 631	Tel No: +91 9833373300 / +91 9763702204

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 and half year ended 30th September, 2020

Amount Rs in Million (except per share data)

Particulars	Quarter ended			Year to date		Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Revenue from Operations	4,851.58	4,223.50	6,275.27	9,075.08	12,437.11	23,912.77
2. Other Income	12.03	5.64	12.51	17.67	25.63	29.19
3. Total Income	**4,863.61**	**4,229.14**	**6,287.78**	**9,092.75**	**12,462.74**	**23,941.96**
4. Expenses						
(a) Cost of materials consumed	3,267.34	3,589.17	4,103.38	6,856.51	7,945.47	17,534.45
(b) Purchase of Stock-in-trade	-	105.76	650.85	105.76	1,499.97	2,220.30
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	303.59	(525.71)	(61.00)	(222.12)	(217.05)	(1,824.27)
(d) Employee benefits expense	190.77	190.12	251.84	380.89	511.13	930.53
(e) Finance costs	110.93	109.66	86.25	220.59	179.04	380.41
(f) Depreciation and amortisation expense	128.19	126.46	124.72	254.65	252.49	513.75
(g) Other expenses	665.07	573.46	769.51	1,238.53	1,564.63	2,934.67
Total Expenses	**4,665.89**	**4,168.92**	**5,925.55**	**8,834.81**	**11,735.68**	**22,689.84**
5. Profit before tax (3-4)	**197.72**	**60.22**	**362.23**	**257.94**	**727.06**	**1,252.12**
6. Tax expense						
(i) Current tax	48.10	20.98	75.18	69.08	174.12	293.13
(ii) Deferred tax	(12.15)	14.55	6.82	2.40	0.51	52.61
7. Profit for the period/year after tax (5-6)	**161.77**	**24.69**	**280.23**	**186.46**	**552.43**	**906.38**
8. Other Comprehensive Income						
(i) Remeasurement (loss)/gain on post employee benefit obligation	-	(0.54)	0.39	(0.54)	0.78	5.54
(ii) Income tax remeasurement of post benefit obligation	-	0.19	(0.13)	0.19	(0.27)	(1.93)
9. Total Comprehensive Income for the period/year (7+8) Comprising Profit and Other Comprehensive Income for the period	**161.77**	**24.34**	**280.49**	**186.11**	**552.94**	**909.99**
Paid-up equity share capital (face value of Rs. 10 each)	839.39	839.39	839.39	839.39	839.39	839.39
Reserve excluding revaluation reserve as per balance sheet of previous accounting year						8,221.53
10. Earnings Per Share (of Rs 10 each) (not annualised)						
(a) Basic (Rs)	1.93	0.29	3.34	2.22	6.58	10.80
(b) Diluted (Rs)	1.92	0.29	3.33	2.22	6.57	10.78

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20

PARAG MILK FOODS LTD.

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 Assets and Liabilities

Amount Rs in Million

S. No	Particulars	As at 30-Sep-2020 Unaudited	As at 31-March-2020 Audited
A	ASSETS		
	Non Current Assets		
	Property, plant and equipment	3,629.24	3,822.56
	Capital work-in-progress	192.38	66.82
	Other intangible assets	17.11	26.30
	Right of Use Assets	117.19	134.81
	Investment in subsidiary	622.64	622.64
	Financial assets		
	-Investments	6.85	5.52
	-Other financial assets	114.48	120.96
	Deferred tax assets (Net)	120.63	122.68
	Other non-current assets	43.08	75.14
	Total Non-Current Assets	**4,863.60**	**4,997.43**
	Current Assets		
	Inventories	6,490.33	6,268.27
	Financial assets		
	-Trade receivables	2,935.18	2,994.85
	-Cash and cash equivalents	108.31	213.15
	-Other bank balances	54.71	54.55
	Other current assets	2,687.45	2,065.05
	Total Current Assets	**12,275.98**	**11,595.87**
	Total Assets	**17,139.58**	**16,593.30**
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	839.39	839.39
	Other equity	8,407.75	8,221.53
	Total Equity	**9,247.14**	**9,060.92**
	Non-Current Liabilities		
	Financial liabilities		
	-Borrowings	375.19	481.48
	-Other non-current liabilities	97.25	109.75
	Provisions	45.54	43.36
	Total Non-Current Liabilities	**517.98**	**634.59**
	Current Liabilities		
	Financial liabilities		
	-Borrowings	3,469.60	3,167.10
	-Trade payables		
	Payable to Micro and Small Enterprises	18.76	25.03
	Payable to others	2,891.19	2,789.26
	-Other financial liabilities	708.35	795.42
	Other current liability	67.09	39.93
	Provisions	8.76	4.21
	Current Tax Liabilities (Net)	210.71	76.84
	Total Current Liabilities	**7,374.46**	**6,897.79**
	Total Liabilities	**7,892.44**	**7,532.38**
	Total Equity and Liabilities	**17,139.58**	**16,593.30**

SHARP & TANNAN CHARTERED ACCOUNTANTS S&T RAVINDRA ANNEXE, MUMBAI-20

PARAG MILK FOODS LTD.

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 Cash Flows

Amount Rs in Million

Particulars	Year to date		Year ended
	30-Sep-2020 Unaudited	30-Sep-2019 Unaudited	31-Mar-2020 Audited
A. Cash flows from operating activities			
Net Profit before taxation	257.94	727.06	1,252.12
Depreciation/amortisation	254.65	252.49	513.75
Bad debts	-		-
Provision for doubtful advance	-	2.10	2.10
Provision for doubtful debts	62.63	43.00	93.00
Unrealised forex (gain)/loss	(8.33)	2.87	6.46
Fair valuation loss - investments	(1.34)	(1.21)	(0.21)
ESOP expense	0.11	5.92	3.38
Finance costs	220.59	179.04	380.41
Customer advances written back	-	(1.80)	(5.58)
Interest income	(12.54)	(17.94)	(25.08)
Operating profit before working capital changes	773.71	1,191.53	2,220.35
Adjustments for :			
(Increase) / decrease in inventories	(222.06)	(265.52)	(1,790.82)
(Increase) / decrease in trade receivables	(4.01)	(381.21)	(371.81)
(Increase) / decrease in non-current and current financial assets	6.54	(1.03)	(1.19)
(Increase) / decrease other non-current and current assets	(629.38)	52.52	(358.02)
Increase / (decrease) in non-current and current financial liabilities	(9.05)	20.86	(2.10)
Increase / (decrease) in other non-current and current liabilities	26.62	(27.26)	(21.01)
Increase / (decrease) in trade payables	99.27	(11.92)	(51.65)
Increase / (decrease) in provisions	6.19	4.45	0.20
Cash generated from operations	**47.83**	**582.42**	**(376.05)**
Direct taxes paid (net of refunds)	65.17	(107.97)	(351.25)
Net cash flows from operating activities	**113.00**	**474.45**	**(727.30)**
B. Cash Flows from Investing Activities			
Purchase of Property, plant and equipment	(218.61)	(126.25)	(250.58)
Purchase of intangible assets	(0.40)	(10.95)	(11.50)
Maturity / (Investment) of fixed deposits	(0.21)	(128.96)	2.10
Investment in mutual funds	0.01		(0.01)
Interest received	19.34	13.51	17.79
Net cash used in investing activities	**(199.87)**	**(252.65)**	**(242.20)**
C. Cash Flows from Financing Activities			
Proceeds from long term borrowings	-	78.70	73.65
Proceeds / (repayment) short term borrowings (net)	302.50	34.72	1,723.28
Repayment of long term borrowings	(100.17)	(126.17)	(197.35)
Payment of dividend including dividend distribution tax	-	-	(101.40)
Interest paid	(220.30)	(186.50)	(383.22)
Net cash flows from/ (used in) financing activities	**(17.97)**	**(199.25)**	**1,114.96**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(104.84)	22.55	145.46
Cash and cash equivalents at the beginning of the period/year	213.15	67.69	67.69
Cash and cash equivalents at the end of the period/year	108.31	90.24	213.15

SHARP & TANNAN
CHARTERED ACCOUNTANTS
RAVINDRA ANNEXE, MUMBAI-20

PARAG MILK FOODS LTD.

1 The Standalone Unaudited Financial Results (the 'Statement') for the quarter and half year ended 30th September, 2020 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 9th November, 2020 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). Review under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the statutory auditors. Auditor's report does not contain any observation which would have an impact on the above results.

2 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) (as amended, from time to time) as specified under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies, to the extent applicable.

3 Based on its initial assessment, the Management does not expect any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects of COVID-19 on the carrying amounts of property, plant and equipment, inventory and trade receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Company's operating efficiency and gradually improving liquidity position, there is no material uncertainty in meeting the financial obligations over the foreseeable future.

4 Based on guiding principles given in Ind AS 108, *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.

5 Figures for the previous period / year have been regrouped wherever necessary.

PARAG MILK FOODS LTD.

Pritam Shah
Managing Director
DIN No. 01127247

Place: Manchar
Date: 9th November, 2020

Sharp & Tannan

SHARP & TANNAN
CHARTERED ACCOUNTANTS
GOVINDRA ANNEXE, MUMBAI-20.

SHARP & TANNAN
Chartered Accountants

Firm's Registration No. 109982W

Independent Auditor's Review Report on Standalone Unaudited Quarterly and Year-to-Date Financial Results of Parag Milk Foods Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To the Board of Directors of Parag Milk Foods Limited

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results (the 'Statement') of **Parag Milk Foods Limited** (the 'Company') for the period ended 30th September, 2020, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. This Statement is the responsibility of the Company's management and has been approved by the Board of Directors on 9th November, 2020. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (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 standalone financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

3. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards and other recognised accounting practices and policies 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.

4. We draw attention to Note 3 to the accompanying Statement with respect to possible effects that may result from COVID-19 pandemic and management's evaluation of its impact on the operations of the Company and on the aforesaid Statement, the extent of which is dependent upon future developments. Our conclusion is not modified in respect of this matter.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20.

Edwin P. Augustine
Partner
Membership No. 043385
UDIN: 20043385AAAAFB2905

Mumbai, 9th November, 2020

PARAG
Ideas for a new day

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 and half year ended 30th September, 2020

Amount Rs in Million (except per share data)

Particulars	Quarter ended			Year to date		Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1. Revenue from Operations	4,982.30	4,355.96	6,400.26	9,338.26	12,697.65	24,379.24
2. Other Income	22.43	14.62	30.79	37.05	58.92	75.99
3. Total Income	**5,004.73**	**4,370.58**	**6,431.05**	**9,375.31**	**12,756.57**	**24,455.23**
4. Expenses						
(a) Cost of materials consumed	3,331.96	3,649.70	4,168.82	6,981.66	8,088.69	17,669.92
(b) Purchase of Stock-in-trade	-	105.76	650.85	105.76	1,499.97	2,220.30
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	304.20	(522.60)	(62.39)	(218.40)	(218.44)	(1,743.36)
(d) Employee benefits expense	198.96	195.74	259.32	394.70	526.44	961.04
(e) Finance costs	110.85	109.90	86.32	220.75	179.47	381.04
(f) Depreciation and amortisation expense	134.08	132.27	130.22	266.35	263.12	536.41
(g) Other expenses	732.32	630.19	828.87	1,362.51	1,677.68	3,160.32
Total Expenses	**4,812.37**	**4,300.96**	**6,062.01**	**9,113.33**	**12,016.93**	**23,185.67**
5. Profit before tax (3-4)	**192.36**	**69.62**	**369.04**	**261.98**	**739.64**	**1,269.56**
6. Tax expense						
(i) Current tax	47.06	24.70	76.87	71.76	177.14	297.87
(ii) Deferred tax	(13.65)	12.56	7.24	(1.09)	2.48	34.80
7. Profit for the period/year after tax (5-6)	**158.95**	**32.36**	**284.93**	**191.31**	**560.02**	**936.89**
8. Other Comprehensive Income						
Items that will not be reclassified to profit or loss						
(i) Remeasurement (loss)/gain on post employee benefit	-	(0.56)	0.38	(0.56)	0.75	5.47
(ii) Income tax remeasurement of post benefit obligation	-	0.20	(0.13)	0.20	(0.26)	(1.91)
9. Total Comprehensive Income for the period/year (7+8) Comprising Profit and Other Comprehensive Income for the period	**158.95**	**32.00**	**285.18**	**190.95**	**560.51**	**940.45**
Paid-up equity share capital (face value of Rs. 10 each)	839.39	839.39	839.39	839.39	839.39	839.39
Reserve excluding revaluation reserve as per balance sheet of previous accounting year						8,272.23
10. Earnings Per Share (of Rs 10 each) (not annualised)						
(a) Basic (Rs)	1.89	0.39	3.39	2.28	6.67	11.16
(b) Diluted (Rs)	1.89	0.38	3.39	2.27	6.66	11.14

SHARP & TANNAN
CHARTERED ACCOUNTANTS
RAVINDRA ANNEXE, MUMBAI-20.

PARAG MILK FOODS LTD.

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 Cosolidated Assets and Liabilities

Amount Rs in Million

S. No	Particulars	As at 30-Sep-2020 Unaudited	As at 31-March-2020 Audited
A	**ASSETS**		
	Non Current Assets		
	Property, plant and equipment	3,936.35	4,132.94
	Capital work-in-progress	199.99	70.24
	Other intangible assets	17.29	26.51
	Biological assets other than bearer plants	368.36	359.72
	Right of Use Assets	119.29	137.17
	Financial assets		
	-Investments	6.86	5.52
	-Loan	4.30	4.32
	-Other financial assets	114.60	121.08
	Deferred tax assets(net)	89.70	88.26
	Other non-current assets	185.36	187.11
	Total Non-Current Assets	**5,042.10**	**5,132.87**
	Current Assets		
	Inventories	6,554.70	6,328.86
	Financial assets		
	-Trade receivables	2,960.63	3,034.79
	-Cash and cash equivalents	115.86	223.78
	-Other bank balances	54.81	54.65
	Other current assets	2,702.74	2,071.98
	Total Current Assets	**12,388.74**	**11,714.06**
	Total Assets	**17,430.84**	**16,846.93**
B	**EQUITY AND LIABILITIES**		
	Equity		
	Equity share capital	839.39	839.39
	Other equity	8,463.28	8,272.23
	Total Equity	**9,302.67**	**9,111.62**
	Non-Current Liabilities		
	Financial liabilities		
	-Borrowings	375.19	481.48
	-Other non-current liabilities	99.44	112.14
	Provisions	47.28	45.10
	Total Non-Current Liabilities	**521.91**	**638.72**
	Current Liabilities		
	Financial liabilities		
	-Borrowings	3,536.43	3,215.68
	-Trade payables		
	Payable to Micro and Small Enterprises	18.76	25.41
	Payable to others	3,032.24	2,915.00
	-Other financial liabilities	714.57	804.26
	Other current liabilities	78.42	51.79
	Provisions	9.46	4.58
	Current tax liabilities (Net)	216.38	79.87
	Total Current Liabilities	**7,606.26**	**7,096.59**
	Total Liabilities	**8,128.17**	**7,735.31**
	Total Equity and Liabilities	**17,430.84**	**16,846.93**

SHARP & TANNAN
S+T
CHARTERED ACCOUNTANTS
RAVINDRA ANNEXE, MUMBAI-20.

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 Cash Flows

Amount Rs in Million

Particulars	Year to date		Year ended
	30-Sep-2020 Unaudited	30-Sep-2019 Unaudited	31-Mar-2020 Audited
A. Cash flows from operating activities			
Net Profit before taxation	261.98	739.64	1,269.56
Depreciation/amortisation	266.35	263.12	536.41
Provision for doubtful advance	-	2.80	2.10
Provision for doubtful debts	66.57	44.00	96.79
Unrealised forex (gain)/loss	(8.33)	2.87	6.46
Fair valuation loss - investments	(1.34)	(1.21)	(0.21)
ESOP expense	0.11	5.92	3.38
Finance costs	220.75	179.47	381.04
Customer advances written back	-	(1.80)	(5.58)
Loss on sale or death of livestock	6.46	5.72	15.21
Fair value change of livestock	(18.64)	(30.00)	(40.00)
Interest income	(12.55)	(17.94)	(25.12)
Operating profit before working capital changes	781.36	1,192.59	2,240.04
Adjustments for :			
(Increase) / decrease in inventories	(225.84)	(261.67)	(1,700.07)
(Increase) / decrease in trade receivables	6.55	(385.03)	(345.79)
(Increase) / decrease in non-current and current financial assets	6.56	(1.28)	(2.00)
(Increase) / decrease other non-current and current assets	(637.74)	87.16	(401.65)
Increase / (decrease) in non-current and current financial liabilities	(21.27)	21.15	(1.49)
Increase / (decrease) in other non-current and current liabilities	26.47	54.16	(65.28)
Increase / (decrease) in trade payables	114.20	(95.49)	(34.10)
Increase / (decrease) in provisions	6.50	4.33	0.46
Cash generated from operations	**56.79**	**615.92**	**(309.88)**
Direct taxes paid (net of refunds)	64.75	(106.37)	(354.07)
Net cash flows from operating activities	**121.54**	**509.55**	**(663.95)**
B. Cash Flows from Investing Activities			
Purchase of Property, plant and equipment	(251.86)	(161.84)	(306.66)
Purchase of intangible assets	(0.40)	(10.95)	(11.50)
Sale of livestock	3.54	-	2.69
Sale of Property, plant and equipment	-	0.60	0.58
Maturity / (Investment) of fixed deposits	(0.21)	(128.96)	2.08
Investment in mutual funds	-	-	(0.01)
Interest received	19.34	13.50	17.84
Net cash used in investing activities	**(229.59)**	**(287.65)**	**(294.98)**
C. Cash Flows from Financing Activities			
Proceeds from long term borrowings	-	25.65	73.65
Proceeds / (repayment) short term borrowings (net)	320.75	39.22	1,718.22
Repayment of long term borrowings	(100.16)	(73.11)	(197.35)
Payment of dividend including dividend distribution tax	-	-	(101.41)
Interest paid	(220.46)	(186.93)	(383.86)
Net cash flows from/ (used in) financing activities	**0.13**	**(195.17)**	**1,109.25**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(107.92)	26.73	150.32
Cash and cash equivalents at the beginning of the period/year	223.78	73.46	73.46
Cash and cash equivalents at the end of the period/year	115.86	100.19	223.78

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20

PARAG MILK FOODS LTD.

Notes :

1 The consolidated unaudited financial results (the 'Statement') for the quarter and half year ended 30th September, 2020 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 9th November, 2020 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). Review under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the statutory auditors. Auditor's report does not contain any observation which would have an impact on the above results.

2 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) (as amended, from time to time) as specified under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies, to the extent applicable.

3 Based on its initial assessment, the Management does not expect any significant medium to long-term impact on the business of the Group due to the COVID-19 pandemic. The Group has evaluated the possible effects of COVID-19 on the carrying amounts of property, plant and equipment, biological assets, inventory and trade receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Group's operating efficiency and gradually improving liquidity position, there is no material uncertainty in meeting the financial obligations over the foreseeable future.

4 Based on guiding principles given in Ind AS 108, *Operating Segments*, the Group'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.

5 Figures for the previous period / year have been regrouped wherever necessary.

PARAG MILK FOODS LTD.

Pritam Shah
Managing Director
DIN No. 01127247

Place: Manchar
Date: 9th November, 2020

Sharp & Tannan

SHARP & TANNAN
CHARTERED ACCOUNTANTS
RAVINDRA ANNEXE, MUMBAI-20.

SHARP & TANNAN
Chartered Accountants

Firm's Registration No. 109982W

Independent Auditor's Review Report on Consolidated Unaudited Quarterly and Year-to-Date Financial Results of Parag Milk Foods Limited pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

To the Board of Directors of Parag Milk Foods Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results (the 'Statement') 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 30th September, 2020 and for the period from 1st April, 2020 to 30th September, 2020, 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 on 9th November, 2020. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of Bhagylaxmi Dairy Farms Private Limited, a wholly-owned subsidiary.

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 Indian Accounting Standards 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.

SHARP & TANNAN
CHARTERED ACCOUNTANTS
RAVINDRA ANNEXE, MUMBAI-20.

Ravindra Annexe, 194, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.
Tel. (22) 2204 7722/23, 2286 9900 Fax (22) 2286 9949 E-mail : admin.mumbai@stllp.in
Shreedhar T. Kunte Ramnath D. Kare Edwin P. Augustine Raghunath P. Acharya
Firdosh D. Buchia Tirtharaj A. Khot Pavan K. Aggarwal
Also at Pune. Associate Offices : New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

6. We draw attention to Note 3 to the accompanying Statement with respect to possible effects that may result from COVID-19 pandemic and management's evaluation of its impact on the operations of the Company and on the aforesaid Statement, the extent of which is dependent upon future developments. Our conclusion is not modified in respect of this matter.

SHARP & TANNAN
Chartered Accountants
Firm's Registration No.109982W
by the hand of

SHARP & TANNAN CHARTERED ACCOUNTANTS RAVINDRA ANNEXE, MUMBAI-20.

Edwin P. Augustine
Partner
Membership No. 043385
UDIN: 20043385AAAAFC5567

Mumbai, 9th November, 2020