



December 23, 2020

Compliance Department, BSE Limited , Phiroze Jeejeebhoy Tower, Dalal Street, Fort, Mumbai- 400001	Compliance Department, National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G-Block, Bandra-Kurla Complex Bandra-(E), Mumbai-400051
Scrip Code :- 539889	Scrip Symbol:- PARAGMILK

Dear Sir(s)/Madam,

Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Parag Milk Foods Limited expands its Health & Nutrition business, commissions the Lactose Plant with a capacity of 40 MT/day

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we take great pride in informing, that the Company plans to add further value to its cheese and whey business through the introduction of high potential Lactose products, thereby expanding its Health & Nutrition portfolio. The Company has therefore established state-of-the-art facilities with a capacity to manufacture 40 MT of lactose per day.

We are enclosing herewith a copy of the Press Release for the same.

We request you to kindly take the same on record.

For **Parag Milk Foods Limited**

Rachana Sanganeria
Company Secretary and Compliance Officer
ACS No. 10280

Encl: a/a





For Immediate Release

Parag Milk Foods expands its Health & Nutrition business, commissions the Lactose Plant with a capacity of 40 MT/day

Mumbai, 23 December 2020: Parag Milk Foods Ltd., a leading manufacturer and marketer of dairy-based branded products in India, plans to add further value to its cheese and whey business through the introduction of high potential Lactose products, thereby expanding its Health & Nutrition portfolio.

As one of the leading cheese producers in the country and with ambitions to grow the business further, the Company has ventured into whey protein powders, a by-product in the cheese manufacturing process. The Company established India's first and only manufacturing facility to produce high quality whey protein and introduced various whey protein products in the market including "Avvatar", a branded B2C product. Through the commissioning of the Lactose plant, the Company is now intending to add higher value to Whey Permeates that are generated during the filtration process of whey protein.

Whey Permeate contains a high concentration of lactose, a natural milk sugar with fat and minerals, that is normally sold as a substitute to Skimmed Milk Powder (SMP). Pure lactose, which largely consists of edible lactose used in confectionaries and food additives, and pharma grade lactose used by the pharmaceutical and nutrition industries, garners a higher value and has a vast potential for growth. The Company has therefore established state-of-the-art facilities with a capacity to manufacture 40 MT of lactose per day. The Company's expertise in dairy ingredients has allowed it to create lactose that is ideal for multiple segments such as food applications, infant nutrition and clinical nutrition products.

Globally, the lactose market size stood at USD 1.2 billion in 2018 and is projected to grow to USD 1.5 billion by 2026, exhibiting a CAGR of 3.7% during this period. The Indian lactose market size is ~40,000-45,000 MT and is valued at INR 5,000 million (~USD 70 million), with a major part of the requirement being met through imports. This provides a huge opportunity for import substitution for players like Parag Milk Foods Ltd. that has end-to-end manufacturing capabilities to tap into.

The Company has a fully integrated value chain with control over key processes from procurement and supply chain to processing and distribution, maintaining highest standards of quality and delivery throughout. The Company's best practices and state-of-the-art infrastructure makes it the partner-of-choice for leading MNC players and is thereby confident of reaping the benefits of further value addition in its Health & Nutrition business.

Commenting on this development, Mr. Devendra Shah, Chairman said *"Being a large cheese player, we always had whey protein and therefore lactose as a by-product, to which we want to further value-add to tap into high quality ingredients for the Indian market. With our end-to-end manufacturing capabilities across the value chain, we are well placed to support the PM's impetus towards 'Atmanirbhar Bharat' by reducing the import dependence of the country on Lactose.*

Being agile in our response to market changes, we are constantly innovating our product offerings and concentrating on tie-ups with partners focused on quality. Consumers have become increasingly conscious about nutrition and there is a big shift and preference for trusted brands. As the market is shifting towards premiumization with a clear thrust towards value-added dairy products, we are the forerunners with more than two-thirds of our portfolio comprising of value-added products. With the addition of Lactose to our portfolio, we are expecting our Health and Nutrition portfolio to grow further in the next 2 years, which will also improve our profitability."



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. 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 details please contact:

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