



June 29, 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: AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED MARCH 31, 2020

The Board of Directors of the Company at their Meeting held on June 29, 2020 has inter alia, considered and approved the Audited Standalone and Consolidated Financial Results for the Quarter and Financial Year ended March 31, 2020.

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

- Audited Standalone and Consolidated Financial Results of the Company for Quarter and Financial Year ended March 31, 2020 ; and
- In terms of the provisions of Regulation 33(3)(d) of the Listing Regulations, we hereby declare that the M/s Haribhakti & Co., LLP Chartered Accountants, (Firm Registration No. 103523WW100048), Statutory Auditors of the Company have issued an Audit Report with Unmodified Opinion on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended on March 31, 2020 .
- Press Release with regard to the Audited Financial Results of the Company for the Quarter and Financial Year ended March 31, 2020 .

You are requested to kindly take the same on record.

For **PARAG MILK FOODS LIMITED**


Pritam Shah
Managing Director
DIN: 01127247



Encl: As above.

Parag Milk Foods Ltd.,

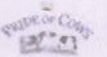
CIN-L15204PN1992PLC070209

Regd. Office: Flat No.1, Plot No.19, Nav Rajasthan Soc., Behind Ratana Memorial Hospital, S B Road, Shivaji Nagar, Pune. Pin- 411016. Phone: +91 7276470001

Corporate Office: 10th Floor, Nirmal Building, Nariman Point, Mumbai- 400021. Tel.: 022-43005555 Fax: 022-43005580

Manchar Plant : Awasari Phata, Manchar, Dist. Pune. 410 503. Ph. : +91 2133 224761/62/63 Fax : +91 2133 223940.

Website : www.paragmilkfoods.com





Investor Release

For Immediate Release

Parag Milk Foods Ltd. FY20 Financial Performance

- ✓ Revenue growth of 1.8% YoY to Rs. 24,379 million
- ✓ EBITDA stood at Rs. 2,111 million with EBITDA margin of 8.7%
- ✓ PAT stood at Rs. 937 million with PAT margin of 3.8%
- ✓ Earnings per share Rs.11.16 for FY20

Mumbai, 29th June 2020: Parag Milk Foods Ltd., a leading manufacturer and marketer of dairy-based branded products in India announced its audited financial results for the quarter and year ended 31st March 2020

Performance Highlights for FY20

Consolidated Revenue from Operations for FY20 reported a growth of 1.8% YoY to Rs. 24,379 million as compared to Rs. 23,957 million in FY19.

Growth was subdued mainly due to:

- Lower milk availability & substantially higher raw milk prices leading to drop in volumes
- Q4 impact in which sales was disrupted on account of CoVID 19 as FMCG sales are skewed towards month-end and with complete lockdown with effect from 22nd March, all categories were impacted for the rest of the month
- Higher base of Q4 last year due to commodity exports also contributed

The share of Milk Products for FY20 is 67.4 % of total revenue, while that of liquid milk was 18.6% and the same for Skimmed Milk Powder was 12.8%.

EBITDA for FY20 stood at Rs. 2,111 million and EBITDA Margin stood at 8.7%. In spite of substantial compression in gross margins, we have achieved an 8.7% EBITDA margin because of tight spends on A&P, lower other expenses and productivity measures initiated during the latter part of the year.

PAT for FY20 stood at Rs. 937 million and PAT Margin stood at 3.8% in FY20.



The World Health Organisation declared COVID-19 as a pandemic on March 11, 2020 and India has been under a national lockdown since March 22, 2020. Below are the key highlights on the same:

Impact of CoVID-19 on:

1. Manufacturing

- Ensured 100% functionality of all manufacturing facilities during the entire lockdown period with zero downtime while adhering to the highest safety standards and protocols
- Employed limited manpower and adopted productivity measures such as automation techniques and longer shifts at work to ensure that the plants operate at optimum capacities
- Focused on manufacturing high velocity and high throughput SKUs

2. Supply Chain & Distribution

- Faced initial operational disruptions over the second half of March 2020 and challenges in distribution due to the unavailability of manpower, transport services, and labour for loading/unloading
- Dealt with challenges in the procurement of packaging material, other raw material, etc. due to disruptions at suppliers' level. However, developed alternative sources and adapted swiftly to the situation at hand.
- Despite products being categorized as "essential goods", witnessed challenges in inter-state movement and other minor hindrances due to limited clarity by regulatory authorities on lockdown regulations. However, quickly procured all relevant approvals and passes for employees to normalize operations at the earliest.
- Our distributors also faced challenges in the movement of stocks as well as availability of manpower during the initial period. However, the challenges were addressed in early April itself.
- Ensured most depots remained operational throughout the lockdown period, except in red/containment zones, with safety protocols
- Maintained healthy levels of Finished goods stocking at depots
- Worked closely with Modern Trade and e-commerce delivery companies to make products available to consumers

3. Procurement

- Milk procurement operations were unaffected during the entire period and due to our commitment towards farmers for sourcing their 100% milk, we have procured even higher quantity of milk
- We have seen substantial Increase in milk procurement during the Covid-19 situation due to:
 - Late onset of flush season during March due to higher availability of feed and fodder leading to higher milk production
 - Lower demand for commodities by ingredient users, hotels and restaurants resulting in higher flow towards organised players
 - Our commitment and the inability of smaller milk players to operate
- Milk procurement increased by around 30% compared to prior months
- Raw milk prices subsided by ~20% because of higher availability and lower demand

4. Financial Performance

- Witnessed an increase in demand across all our core consumer product categories such as ghee, cheese, paneer & UHT due to a significant increase in at-home consumption
- However, we have seen significant impact in sales of commodities and HORECA segments. Sale of impulse categories like flavoured milk were also impacted
- Reallocated advertising spends between different channels with a greater focus on digital media
- Initiated cost rationalization measures across different verticals to improve profitability
- Adopted a conservative financial approach and included additional provisions in lieu of exposure to the HORECA & QSR segments, and dormancy on unsold inventory due to closure of operations of some institutional partners

5. Impact on Q1FY21 Performance

- With earlier than expected onset of monsoons and good coverage across India till date, milk production is expected to remain strong going forward
- However raw milk prices are expected to increase by around 5-7% once the situation normalises
- Core consumer products categories like Ghee, Cheese, Paneer, UHT, etc. will continue to do well
- Commodity sales have started picking up with the re-opening of major user industries. However, commodity prices would be subdued due to higher inventory levels across the country
- HORECA outlets have also started opening. However, the focus is on home delivery and takeaway, and with few outlets operating, we expect normalisation to take time in this segment

Marketing Campaigns & Consumer Engagement Initiatives:

1. GO Cheese

Digital Campaign ran across Instagram, Facebook & Twitter platform of Go Cheese #PakNahiKuchPaka

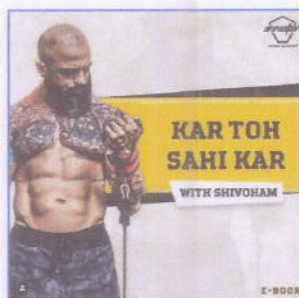
- Overall Reach: More than 4.5 lakhs
- Overall Impressions: More than 16 lakhs
- Overall engagement: 1.8 lakhs



2. Avataar

#KarTohSahiKar Campaign

- Engaging with consumers to kick start your new year resolutions the sahi way with Avvatar Transformation
- A personalised diet plan to lose weight the Sahi way. Plans exclusively designed by Shivoham





Commenting on the performance, Mr. Devendra Shah, Chairman said *“We have delivered a resilient performance in the quarter and the year gone by considering the challenging operating environment. Demanding lockdown restrictions on account of the Covid-19 pandemic and weak out-of-home sales as commercial spaces such as offices, hotels, restaurants, catering, small tea coffee stalls, etc were shut down. This impacted our revenues and the sequential increase in raw milk prices impacted profitability at the gross level, but maintained healthy EBITDA levels. However, with the easing of lockdown, we are witnessing gradual recovery in demand and hoping to achieve pre-Covid business levels with our partners in the next few months. We believe, our three decades of experience in dairy business, strong business model and inherent sectoral resilience will ensure faster recovery. As an integrated FMCG player and the only one in India deriving all our products from 100% cow’s milk, safety and hygiene plays a key role and we have ensured strict implementation and compliance of it at all our plants and facilities. Going ahead, we believe we are very well positioned to make the most of the opportunities in the dairy sector coming our way.”*



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 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.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Parag Milk Foods Limited
Report on the Audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone annual financial results of Parag Milk Foods Limited ("the Company") for the year ended March 31, 2020 ("the Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

(i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 to the accompanying Statement which explains the uncertainties and the Management's evaluation of the financial impact on the Company due to lockdown and other restrictions on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.

Our opinion is not modified in respect of this matter.

Board of Directors' Responsibilities for the Standalone Financial Results

This Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Company in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued there under



and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of



HARIBHAKTI & CO. LLP

Chartered Accountants

our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

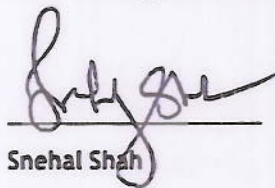
Other Matter

The Statement includes the results for the quarter ended March 31, 2020, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co.LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



Snehal Shah

Partner

Membership No. 048539

UDIN: 20048539 AAAABG3899

Place: Mumbai

Date: June 29, 2020





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 Audited Financial Results for the quarter and year ended March 31, 2020

Amount Rs in Million (except per share data)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
1. Revenue from Operations	5,244.72	6,230.94	6,599.52	23,912.77	23,461.31
2. Other Income	(4.05)	7.61	13.21	29.19	40.49
3. Total Income	5,240.67	6,238.55	6,612.73	23,941.96	23,501.80
4. Expenses					
(a) Cost of Materials consumed	5,201.51	4,387.47	4,113.47	17,534.45	14,940.41
(b) Purchase of Stock-in-trade	171.69	548.64	552.00	2,220.30	1,482.79
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,361.62)	(245.60)	(1.37)	(1,824.27)	(58.25)
(d) Employee benefits expense	183.96	235.44	251.92	930.53	925.53
(e) Finance Costs	88.97	112.40	77.93	380.41	356.68
(f) Depreciation and amortisation expense	131.14	130.12	87.95	513.75	481.37
(g) Other expenses	641.85	728.19	1,239.50	2,934.67	3,995.82
Total Expenses	5,057.50	5,896.66	6,321.40	22,689.84	22,124.35
5. Profit from ordinary activities after finance costs and before exceptional items (3-4)	183.17	341.89	291.33	1,252.12	1,377.45
6. Exceptional Items	-	-	-	-	-
7. Profit from ordinary activities before tax (5-6)	183.17	341.89	291.33	1,252.12	1,377.45
8. Tax expense/(credit)					
(1) Current tax	35.97	83.04	-45.41	293.13	341.11
(2) Deferred tax	61.88	-9.78	50.99	52.61	-104.19
9. Profit for the period after tax (7-8)	85.32	268.63	285.75	906.38	1,140.53
10. Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
(i) Remeasurement (loss)/gain on post employee benefit obligation	4.37	0.39	5.02	5.54	1.55
(ii) Income tax remeasurement of post benefit obligation	(1.53)	(0.14)	(1.75)	(1.93)	(0.54)
11. Total Comprehensive Income for the period (9+10) Comprising Profit and Other Comprehensive Income for the period	88.16	268.88	289.02	909.99	1,141.54
Paid-up equity share capital (face value of Rs. 10/- each)	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	7,411.63
13. Earnings Per Share (of Rs 10/- each) (not annualised)					
(a) Basic (Rs)	1.05	3.20	3.40	10.80	13.59
(b) Diluted (Rs)	1.05	3.19	3.39	10.78	13.56



- 1 The Standalone Audited Financial Results for the quarter and year ended March 31, 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 June 29, 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).
- 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 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
- 4 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.
- 5 The above results of the Company have been audited by the statutory auditors and they have issued an unqualified audit opinion on the same.
- 6 The Board of Directors of the Company has recommended a dividend of 5% (Re. 0.50/- per share of face value of Rs. 10/-) for the financial year ended March 31, 2020.
- 7 The figures of the March 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.
- 8 Previous quarter / year figures have been regrouped/reclassified wherever necessary to correspond with the current quarter/ year classification / disclosure.

Place: Mumbai
Date: June 29, 2020




Pritam Shah
Managing Director
DIN No. 01127247



Parag Milk Foods Limited

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

Statement of Standalone Audited Results for the year ended March 31, 2020

Statement of Assets and Liabilities is as follows:

S.no	Particulars	Amount Rs in Million	
		As at March 31, 2020 Audited	As at March 31, 2019 Audited
A	ASSETS		
	Non Current Assets		
	Property, plant and equipment	3,822.56	3,757.26
	Capital work-in-progress	66.82	231.11
	Other intangible assets	26.30	34.17
	Right of Use Assets	134.81	-
	Investment in subsidiary	622.64	622.64
	Financial assets		
	-Investments	5.52	5.30
	-Other financial assets	120.96	129.87
	Deferred tax assets (Net)	122.68	176.69
	Other non-current assets	75.14	173.11
	Total Non-Current Assets	4,997.43	5,130.15
	Current Assets		
	Inventories	6,268.27	4,477.45
	Financial assets		
	-Trade receivables	2,994.85	2,716.74
	-Cash and cash equivalents	213.15	67.69
	-Other bank balances	54.55	46.83
	Other current assets	2,065.05	1,710.96
	Total Current Assets	11,595.87	9,019.67
	Total Assets	16,593.30	14,149.82
	EQUITY AND LIABILITIES		
	Equity		
	Equity share capital	839.39	839.39
	Other equity	8,221.53	7,411.63
	Total Equity	9,060.92	8,251.02
	Non-Current Liabilities		
	Financial liabilities		
	-Borrowings	481.48	646.21
	-Lease Liability	109.75	-
	Provisions	43.36	43.08
	Total Non-Current Liabilities	634.59	689.29
	Current Liabilities		
	Financial liabilities		
	-Borrowings	3,167.10	1,443.82
	-Trade payables		
	Payable to Micro and Small Enterprises	25.03	23.63
	Payable to others	2,789.26	2,838.76
	-Other financial liabilities	795.42	692.52
	Other current liability	39.93	65.98
	Provisions	4.21	9.82
	Current Tax Liabilities (Net)	76.84	134.98
	Total Current Liabilities	6,897.79	5,209.51
	Total Liabilities	7,532.38	5,898.80
	Total Equity and Liabilities	16,593.30	14,149.82





Parag Milk Foods Limited

Statement of Cash Flows for the year ended March 31, 2020
(All amounts are in Rs. million unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Net Profit before taxation	1,252.12	1,377.45
Depreciation/amortisation	513.75	481.37
Bad debts	-	187.26
Provision for doubtful advance	2.10	26.90
Provision for doubtful debts	93.00	247.99
Unrealised forex (gain)/loss	6.46	4.27
Fair valuation loss - investment	(0.21)	0.75
ESOP expense	3.38	4.89
Finance cost	380.41	356.68
Customer advances written back	(5.58)	-
Advances written-off	-	66.52
Profit on sale of Property, Plant and Equipment (net)	-	(0.25)
Interest income	(25.08)	(20.35)
Operating profit before working capital changes	2,220.35	2,733.48
Adjustments for :		
(Increase) / decrease in inventories	(1,790.82)	(177.50)
(Increase) / decrease in trade receivables	(371.81)	(690.49)
(Increase) / decrease in non-current and current financial assets	(1.19)	(24.77)
(Increase) / decrease other non-current and current assets	(358.02)	(152.21)
Increase / (decrease) in non-current and current financial liabilities	(2.10)	105.34
Increase / (decrease) in other non-current and current liabilities	(21.01)	(91.63)
Increase / (decrease) in trade payables	(51.65)	(51.11)
Increase / (decrease) in provisions	0.20	6.75
Cash generated from operations	(376.05)	1,657.86
Direct taxes paid (net of refunds)	(351.25)	(274.02)
Net cash flow from operating activities	(727.30)	1,383.84
B. Cash Flow from Investing Activities		
Purchase of Property, plant and equipment	(250.58)	(799.10)
Purchase of intangible assets	(11.50)	(5.68)
Sale of Property, plant and equipment	-	0.64
Maturity of fixed deposits	2.10	129.40
Investment in mutual funds	(0.01)	(1.00)
Interest received	17.79	20.40
Net cash used in investing activities	(242.20)	(655.34)
C. Cash Flow from Financing Activities		
Proceeds from long term borrowings	73.65	236.64
Proceeds from issue of shares (net of issue expenses)	-	12.75
Proceeds / (repayment) short term borrowings (net)	1,723.28	(557.66)
Repayment of long term borrowings	(197.35)	(247.55)
Payment of dividend including dividend distribution tax	(101.40)	(76.06)
Interest paid	(383.22)	(328.76)
Net cash flow from/ (used in) financing activities	1,114.96	(960.64)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	145.46	(232.14)
Cash and cash equivalents at the beginning of the year	67.69	299.83
Cash and cash equivalents at the end of the year	213.15	67.69



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Parag Milk Foods Limited

Report on the Audit of the Consolidated Financial Results

Opinion

We have audited the accompanying consolidated annual financial results of Parag Milk Foods Limited (hereinafter referred to as the "Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") for the year ended March 31, 2020 ("the Statement"), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

(i) includes the annual financial results of the following entities:

Sr. No.	Name of the Entity	Relationship
1	Parag Milk Foods Limited	Holding Company
2	Bhagyalaxmi Dairy Farms Private Limited	Subsidiary Company

(ii) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and

(iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Statement under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.



Emphasis of Matter

We draw attention to Note 3 to the accompanying Statement which explains the uncertainties and the Management's evaluation of the financial impact on the Group due to lockdown and other restrictions on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon the circumstances as they evolve in the subsequent period.
Our opinion is not modified in respect of this matter.

Board of Directors' Responsibilities for the Consolidated Financial Results

This Statement has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.

In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



HARIBHAKTI & CO. LLP

Chartered Accountants

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the Statement.

We communicate with those charged with governance among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, to the extent applicable.



HARIBHAKTI & CO. LLP

Chartered Accountants

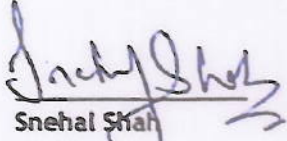
Other Matters

The Statement includes the results for the quarter ended March 31, 2020, being the balancing figure between audited figures in respect of full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048


Snehal Shah
Partner

Membership No.: 048539

UDIN: 20048539AAAABH8722



Place: Mumbai

Date: June 29, 2020



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 Audited Financial Results for the quarter and year ended March 31, 2020

Amount Rs in Million (except per share data)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
	Audited	Unaudited	Audited	Audited	Audited
1. Revenue from Operations	5,352.33	6,329.26	6,721.53	24,379.24	23,956.64
2. Other Income	9.38	7.69	63.33	75.99	102.63
3. Total Income	5,361.71	6,336.95	6,784.86	24,455.23	24,059.27
4. Expenses					
(a) Cost of Materials consumed	5,251.40	4,329.83	4,201.22	17,669.92	15,210.70
(b) Purchase of Stock-in-trade	171.69	548.64	552.00	2,220.30	1,482.79
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1,364.01)	(160.91)	(22.06)	(1,743.36)	(119.87)
(d) Employee benefits expense	191.78	242.82	258.86	961.04	949.94
(e) Finance Costs	88.98	112.59	78.05	381.04	357.88
(f) Depreciation and amortisation expense	137.29	136.00	94.17	536.41	501.85
(g) Other expenses	701.37	781.27	1,294.25	3,160.32	4,198.12
Total Expenses	5,178.50	5,990.24	6,456.49	23,185.67	22,581.41
5. Profit before tax (3-4)	183.21	346.71	328.37	1,269.56	1,477.86
6. Exceptional Items	-	-	-	-	-
7. Profit after exceptional items but before tax (5-6)	183.21	346.71	328.37	1,269.56	1,477.86
8. Tax expense/(credit)					
(1) Current tax	36.42	84.31	(37.12)	297.87	362.67
(2) Deferred tax	45.72	(13.40)	52.63	34.80	(92.00)
9. Profit for the period after tax (5-6)	101.07	275.80	312.86	936.89	1,207.19
10. Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
(i) Remeasurement (loss)/gain on post employee benefit obligation	4.34	0.37	4.98	5.47	1.49
(ii) Income tax remeasurement of post benefit obligation	(1.52)	(0.13)	(1.74)	(1.91)	(0.52)
11. Total Comprehensive Income for the period (7+8)					
Comprising Profit and Other Comprehensive Income for the period	103.89	276.04	316.10	940.45	1,208.16
Paid-up equity share capital (face value of Rs. 10/- each)	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	7,431.98
13. Earnings Per Share (of Rs 10/- each)					
(not annualised)					
(a) Basic (Rs)	1.24	3.29	3.73	11.16	14.39
(b) Diluted (Rs)	1.24	3.28	3.72	11.14	14.36



Notes :

- 1 The consolidated audited financial results for the quarter and year ended March 31, 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 June 29, 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).
- 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 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 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.
- 5 The above results of the group has been audited by the statutory auditors and they have issued an unqualified audit opinion on the same.
- 6 The figures of the march 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.
- 7 Previous quarter / year figures have been regrouped / reclassified wherever necessary to correspond with the current quarter / year classification / disclosure.

Place: Mumbai
Date: June 29, 2020




Pritam Shah
Managing Director
DIN No. 01127247



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 Audited Results for the year ended March 31, 2020

Statement of Assets and Liabilities is as follows:

S.no	Particulars	Amount Rs in Million	
		As at March 31, 2020 Audited	As at March 31, 2019 Audited
A	ASSETS		
	Non Current Assets		
	Property, plant and equipment	4,132.94	4,023.38
	Capital work-in-progress	70.24	290.26
	Other intangible assets	26.51	34.46
	Biological assets other than bearer plants	359.72	337.62
	Right of Use Assets	137.17	0.00
	Financial assets		
	-Investments	5.52	5.30
	-Loan	4.32	3.51
	-Other financial assets	121.08	129.98
	Deferred tax assets(net)	88.26	166.70
	Other non-current assets	187.11	219.22
	Total Non-Current Assets	5,132.87	5,210.43
	Current Assets		
	Inventories	6,328.86	4,628.79
	Financial assets		
	-Trade receivables	3,034.79	2,786.49
	-Cash and cash equivalents	223.78	73.46
	-Other bank balances	54.65	46.93
	Other current assets	2,071.98	1,674.26
	Total Current Assets	11,714.06	9,209.93
	Total Assets	16,846.93	14,420.36
	EQUITY AND LIABILITIES		
	Equity		
	Equity share capital	839.39	839.39
	Other equity	8,272.23	7,431.98
	Total Equity	9,111.62	8,271.37
	Non-Current Liabilities		
	Financial liabilities		
	-Borrowings	481.48	646.21
	-Lease Liability	112.14	0.00
	Provisions	45.10	44.49
	Total Non-Current Liabilities	638.72	690.70
	Current Liabilities		
	Financial liabilities		
	-Borrowings	3,215.68	1,497.46
	-Trade payables		
	Payable to Micro and Small Enterprises	25.41	23.63
	Payable to others	2,915.00	2,947.33
	-Other financial liabilities	804.26	725.66
	Other current liabilities	51.79	75.66
	Provisions	4.58	10.20
	Current tax liabilities (Net)	79.87	178.35
	Total Current Liabilities	7,096.59	5,458.29
	Total Liabilities	7,735.31	6,148.99
	Total Equity and Liabilities	16,846.93	14,420.36





Parag Milk Foods Limited

Consolidated Statement of Cash Flows for the year ended March 31, 2020
(All amounts are in Rs. million unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Net Profit before taxation	1,269.56	1,477.86
Depreciation/amortisation	536.41	501.85
Provision for doubtful advance	2.10	27.10
Provision for doubtful debts	96.79	250.93
Unrealised forex (gain)/loss	6.46	4.27
Fair valuation loss - investment	(0.21)	0.75
ESOP expense	3.38	4.89
Finance cost	381.04	357.88
Bad debts	-	187.26
Customer advances written back	(5.58)	-
Advances written-off (PSI)	-	66.52
Loss on sale or death of livestock	15.21	11.11
Fair value change of livestock	(40.00)	(61.83)
Profit on sale of Property, Plant and Equipment (net)	-	(0.25)
Interest income	(25.12)	(20.46)
Operating profit before working capital changes	2,240.04	2,807.88
Adjustments for :		
(Increase) / decrease in inventories	(1,700.07)	(249.45)
(Increase) / decrease in trade receivables	(345.79)	(704.69)
(Increase) / decrease in non-current and current financial assets	(2.00)	(24.77)
(Increase) / decrease other non-current and current assets	(401.65)	(109.17)
Increase / (decrease) in non-current and current financial liabilities	(1.49)	106.22
Increase / (decrease) in other non-current and current liabilities	(65.28)	(95.56)
Increase / (decrease) in trade payables	(34.10)	(62.54)
Increase / (decrease) in provisions	0.46	6.43
Cash generated from operations	(309.88)	1,674.35
Direct taxes paid (net of refunds)	(354.07)	(272.57)
Net cash flow from operating activities	(663.95)	1,401.78
B. Cash Flow from Investing Activities		
Purchase of Property, plant and equipment	(306.66)	(879.16)
Purchase of intangible assets	(11.50)	(5.68)
Sale of livestock	2.69	3.97
Sale of Property, plant and equipment	0.58	0.65
Maturity of fixed deposits	2.08	129.38
Investment in mutual funds	(0.01)	(1.00)
Interest received	17.84	20.51
Net cash used in investing activities	(294.98)	(731.33)
C. Cash Flow from Financing Activities		
Proceeds from long term borrowings	73.65	236.64
Proceeds from issue of shares (net of issue expenses)	-	12.74
Proceeds / (repayment) short term borrowings (net)	1,718.22	(504.02)
Repayment of long term borrowings	(197.35)	(247.55)
Payment of dividend including dividend distribution tax	(101.41)	(76.05)
Interest paid	(383.86)	(328.76)
Net cash flow from/ (used in) financing activities	1,109.25	(907.00)
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	150.32	(236.55)
Cash and cash equivalents at the beginning of the year	73.46	310.01
Cash and cash equivalents at the end of the year	223.78	73.46

