

Limited Review Report

Review Report to

The Board of Directors

Parag Milk Foods Limited

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of Parag Milk Foods Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group') for the quarter ended June 30, 2016 ("the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015. This Statement which is the responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under Sec 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We believe that the review procedures performed by us is sufficient and appropriate to provide a basis for our reporting on the Statement.

HARIBHAKTI & CO. LLP

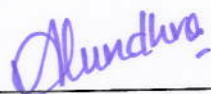
Chartered Accountants

4. 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 aforesaid accounting standards and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note No 5 to the Statement with regard to recording of impairment loss of Rs. 24.23 Million (Quarter ended March 31, 2016: Rs 42 Million, Quarter ended Jun 30, 2015: Nil, Year ended March 31, 2016: Rs 42 Million) on cows and assessment of recoverable amount based on net realisable value as estimated by management.
6. The Statement includes the results for the Quarter ended March 31, 2016 being the balancing figure between audited figures in respect of the full financial year 2015-16 and the audited year to date figures up to third quarter of the last financial year.
7. The Statement also includes the results for the Quarter ended June 30, 2015, which are based on management accounts and not subject to audit or review by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Anup Mundhra

Partner

Membership No.: 061083

Place: Pune

Date: August 10, 2016



Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital,
Pune. Pin- 410503, Maharashtra, India

CIN:U15204MH1992PLC070209, Website: www.paragmilkfoods.com, Email id:

Statement of Consolidated Unaudited Financial Results for the Quarter ended June 30, 2016

Amount Rs in Million (except per share data)

Particulars	Quarter ended			Year ended
	30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16
	Unaudited	Audited	Unaudited (Refer note 2)	Audited
1. Income from Operations				
(a) Revenue from Operations	3,834.67	4,142.38	3,737.86	16,451.31
(b) Other Operating Income	-	-	-	-
Total income from Operations (net)	3,834.67	4,142.38	3,737.86	16,451.31
2. Expenses				
(a) Cost of Materials consumed	2,946.24	2,873.61	2,646.80	11,014.30
(b) Purchase of stock-in-trade	14.59	449.24	0.00	1,382.97
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-272.75	-483.18	132.09	-621.69
(d) Employee benefits expense	178.19	193.33	139.27	701.09
(e) Depreciation and amortisation expense	98.02	97.37	90.40	333.89
(f) Other expenses	638.75	710.48	535.01	2,498.63
Total Expenses	3,603.04	3,840.85	3,543.57	15,309.19
3. Profit from operations before other income, finance costs and exceptional items (1-2)	231.63	301.53	194.29	1,142.12
4. Other Income	8.02	4.24	4.88	16.18
5. Profit from ordinary activities before finance costs and exceptional items (3 + 4)	239.65	305.77	199.17	1,158.30
6. Finance Costs	92.46	120.04	112.07	490.41
7. Profit from ordinary activities after finance costs but before exceptional items (5 - 6)	147.19	185.73	87.10	667.89
8. Exceptional Items	-	-	-	-
9. Profit from ordinary activities before tax (7+8)	147.19	185.73	87.10	667.89
10. Tax expense/(credit)	39.04	24.81	16.85	194.71
11. Net Profit from ordinary activities after tax (9-10)	108.15	160.92	70.25	473.18
12. Extraordinary items (net of tax expenses)	-	-	-	-
13. Net Profit for the period (11 + 12)	108.15	160.92	70.25	473.18
14. Paid-up equity share capital (Face Value of Rs 10 each)	841.15	704.16	632.03	704.16
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	-	-	-	2,914.63
16. Earnings Per Share (not annualised for quarter ended 30 June, 2016, 31 March, 2016 and 30 June 2015):				
(a) Basic (Rs)	1.40	2.46	1.13	7.22
(b) Diluted (Rs)	1.40	2.46	1.06	7.22



Notes :

- 1 The above Consolidated Unaudited Financial Results for the quarter ended June 30, 2016 have been reviewed by the Audit Committee on August 9, 2016 and thereafter approved and taken on record by the Board of Directors in their meeting held on August 10, 2016. The results have been subjected to limited review by the statutory auditors of the Company.
- 2 The figures for the quarter ended June 30, 2015 are based on management accounts and not subject to audit or review.

3 Statement of IPO proceeds:**(Rs in Million)**

Particulars	Amount as per Prospectus	Amount to be utilised
Gross proceeds of the fresh issue	3,000.00	3,000.00
Less: Estimated fresh issue expenses	212.00	215.94
Net proceeds of the fresh issue	2,788.00	2,784.06

Utilisation of IPO proceeds**Rs in Million**

Particulars	Amount to be utilised	Amount utilised up 30 June 2016	Pending utilisation
Expansion and modernisation of Plant	1,477.01	93.03	1,383.98
Investment in subsidiary for financing the capital expenditure requirements in relation to expansion and modernisation of the	22.99	-	22.99
Partial repayment of working capital consortium loan	1,000.00	1,000.00	-
General corporate purposes	284.06	284.06	-
Total	2,784.06	1,377.09	1,406.97

The unutilised net proceeds of the IPO has been invested in Fixed Deposit and interest earned has been reinvested. The fixed deposit balance (including interest accrued) as on 30 June 2016 is Rs 1377.06 million.

- 4 The Company has identified manufacturing and processing of milk & milk products as its sole business operating segment and hence no disclosures have been provided for Segment Reporting under Accounting Standard 17.
- 5 Due to drought situation in Maharashtra, the realizable value of cows has fallen significantly. Hence, the subsidiary company has accounted for an impairment loss of Rs 24.23 Million (Quarter ended March 31, 2016: Rs 42 Million, Quarter ended Jun 30, 2015: Nil, Year ended March 31, 2016: Rs 42 Million) during the quarter as the difference between the carrying value and the recoverable amount. Recoverable amount is assessed as the net realizable value on sale based on quotes obtained by management from local farmers.
- 6 Previous period/year's figure have been regrouped/reclassified wherever necessary to correspond with the current period's classification / disclosure.

For Parag Milk Foods Limited


Devendra Shah
Chairman

Place: Mumbai
Date: August 10, 2016



Limited Review Report

**Review Report to
The Board of Directors
Parag Milk Foods Limited**

1. We have reviewed the accompanying Statement of Unaudited Financial Results of Parag Milk Foods Limited ('the Company') for the quarter ended June 30, 2016 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015 dated November 30, 2015. This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Accounting Standard 25 "Interim Financial Reporting" as prescribed under Sec 133 of Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
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 aforesaid accounting standards and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/15/2015

HARIBHAKTI & CO. LLP

Chartered Accountants

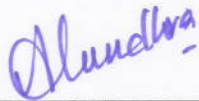
dated November 30, 2015, including the manner in which it is to be disclosed or that it contains any material misstatement.

4. The Statement includes the results for the Quarter ended March 31, 2016 being the balancing figure between audited figures in respect of the full financial year 2015-16 and the audited year to date figures up to third quarter of the last financial year.
5. The Statement also includes the results for the Quarter ended June 30, 2015, which are based on management accounts and not subject to audit or review by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048



Anup Mundhra

Partner

Membership No.: 061083



Place: Pune

Date: Aug 10, 2016

Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital,
Pune, Pin- 410503, Maharashtra, India

CIN:U15204MH1992PLC070209, Website: www.paragmilkfoods.com, Email id:

Statement of Standalone Unaudited Financial Results for the quarter ended Jun 30, 2016

Particulars	Amount Rs in Million (except per share data)			
	Quarter ended		Year ended	
	30-Jun-16	31-Mar-16	30-Jun-15	31-Mar-16
	Unaudited	Audited	Unaudited (Refer note 2)	Audited
1. Income from Operations				
(a) Revenue from Operations	3,773.08	4,082.65	3,692.76	16,229.52
(b) Other Operating Income	-	-	-	-
Total income from Operations (net)	3,773.08	4,082.65	3,692.76	16,229.52
2. Expenses				
(a) Cost of Materials consumed	2,939.87	2,928.01	2,331.14	11,040.96
(b) Purchase of stock-in-trade	14.59	383.75	0.00	1,317.48
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-272.75	-483.17	132.09	-621.69
(d) Employee benefits expense	167.29	176.06	132.97	660.27
(e) Depreciation and amortisation expense	93.80	93.15	83.95	317.25
(f) Other expenses	587.22	648.15	822.38	2,348.27
Total Expenses	3,530.02	3,745.95	3,502.53	15,062.54
3. Profit from operations before other income, finance costs and exceptional items (1-2)	243.06	336.70	190.23	1,166.98
4. Other Income	7.68	3.34	1.79	14.33
5. Profit from ordinary activities before finance costs and exceptional items (3 + 4)	250.74	340.04	192.02	1,181.31
6. Finance Costs	91.09	118.33	109.47	481.84
7. Profit from ordinary activities after finance costs but before exceptional items (5 + 6)	159.65	221.71	82.55	699.47
8. Exceptional Items	-	-	-	-
9. Profit from ordinary activities before tax (7+8)	159.65	221.71	82.55	699.47
10. Tax expense/(credit)	40.71	24.73	16.84	174.38
11. Net Profit from ordinary activities after tax (9-10)	118.94	196.98	65.71	525.09
12. Extraordinary items (net of tax expenses)	-	-	-	-
13. Net Profit for the period (11 + 12)	118.94	196.98	65.71	525.09
14. Paid-up equity share capital (Face Value of Rs 10 each)	841.15	704.16	632.03	704.16
15. Reserve excluding Revaluation Reserves as per balance sheet of previous accounting	-	-	-	3,072.71
16. Earnings Per Share (not annualised for quarter ended 30 June, 2016, 31 March, 2016 and 30 June 2015):				
(a) Basic (Rs)	1.54	3.01	1.06	8.01
(b) Diluted (Rs)	1.54	3.01	0.99	8.01



Notes :

- 1 The above standalone Unaudited Financial Results for the quarter ended June 30, 2016 have been reviewed by the Audit Committee on August 9, 2016 and thereafter approved and taken on record by the Board of Directors in their meeting held on August 10, 2016. The results have been subjected to limited review by the statutory auditors of the Company.
- 2 The figures for the quarter ended June 30, 2015 are based on management accounts and not subject to audit or review.

3 Statement of IPO proceeds:**(Rs Million)**

Particulars	Amount as per Prospectus	Amount to be utilised
Gross proceeds of the fresh issue	3,000.00	3,000.00
Less: Estimated fresh issue expenses	212.00	215.94
Net proceeds of the fresh issue	2,788.00	2,784.06

Utilisation of IPO proceeds:**Rs in Million**

Particulars	Amount to be utilised	Amount utilised up to 30 June 2016	Pending utilisation
Expansion and modernisation of Plant	1,477.01	93.03	1,383.98
Investment in subsidiary for financing the capital expenditure requirements in relation to expansion and modernisation of the Bhagalaxmi Dairy Farm	22.99	-	22.99
Partial repayment of working capital consortium loan	1,000.00	1,000.00	-
General corporate purposes	284.06	284.06	-
Total	2,784.06	1,377.09	1,406.97

The unutilised net proceeds of the IPO has been invested in Fixed Deposit and interest earned has been reinvested. The fixed deposit balance (including interest accrued) as on 30 June 2016 is Rs 1377.06 million.

- 4 The Company has identified manufacturing and processing of milk & milk products as its sole business operating segment and hence no disclosures have been provided for Segment Reporting under Accounting
- 5 Previous period/year's figure have been regrouped/reclassified wherever necessary to correspond with the current period's classification / disclosure.

For Para Milk Foods Limited

Devendra Shah
Chairman

Place: Mumbai
Date: August 10, 2016
