



February 8, 2018

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| 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 NINE MONTHS ENDED DECEMBER 31, 2017

The Board of Directors of the Company at their Meeting held on February 8, 2018 has inter alia considered and approved the Un-audited Standalone and Consolidated Financial Results for the Quarter and Nine Months ended December 31, 2017.

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 for Quarter and Nine Months ended December 31, 2017 along with Limited Review Report; and
- Un-Audited Consolidated Financial Results for Quarter and Nine Months ended December 31, 2017 along with Limited Review Report;

Thanking you,

For **PARAG MILK FOODS LIMITED**

Rachana Sangneria
Company Secretary and Compliance Officer
ACS No.: 10280



Encl: As above.

Parag Milk Foods Ltd.,

CIN-L15204PN1992PLC070209

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

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

Website: www.paragmilkfoods.com



Limited Review Report on the Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2017 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To The Board of Directors
Parag Milk Foods Limited

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of Parag Milk Foods Limited ('the Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as 'the Group'), for the quarter and nine months ended December 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant circulars thereon (hereinafter together referred to as "SEBI Listing Regulations"). This Statement, which is the responsibility of the Holding Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as prescribed under Section 133 of Companies Act, 2013 ("the Act") 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 Holding 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.



HARIBHAKTI & CO. LLP

Chartered Accountants

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 recognition and measurement principles of Ind AS 34 and other generally accepted accounting principles in India have not disclosed the information required to be disclosed in terms of SEBI Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. The previously issued financial information of the Group for the quarter and nine months ended December 31, 2016 prepared in accordance with the Companies (Accounting Standard) Rules, 2006 have been restated to comply with Indian Accounting Standards ("Ind AS") and included in the Statement as comparative financial information. Adjustments made to previously issued financial information prepared in accordance with the Companies (Accounting Standard) Rules, 2006 to comply with Ind AS have been reviewed by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No.103523W/W100048

Anup Mundhra

Anup Mundhra

Partner

Membership No.: 061083



Place: Mumbai

Date: February 8, 2018



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 nine months ended December 31, 2017

Amount Rs in Million (except per share data)

| Particulars | Quarter ended | | | Nine months ended | |
|--|-----------------|-----------------|-----------------|-------------------|------------------|
| | 31-Dec-17 | 30-Sep-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| 1. Revenue from Operations | 5,192.82 | 5,045.12 | 4,460.74 | 14,366.69 | 13,023.81 |
| 2. Other Income | 24.87 | 36.21 | 30.77 | 76.52 | 82.27 |
| 3. Total Income | 5,217.69 | 5,081.33 | 4,491.51 | 14,443.21 | 13,106.08 |
| 4. Expenses | | | | | |
| (a) Cost of Materials consumed | 3,045.07 | 2,980.07 | 4,218.17 | 9,303.11 | 10,442.98 |
| (b) Purchase of Stock-in-trade | 197.89 | 335.15 | 29.67 | 543.88 | 523.52 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 353.85 | 314.57 | -688.15 | 309.05 | -1,280.12 |
| (d) Employee benefits expense | 231.49 | 223.08 | 223.76 | 644.25 | 593.79 |
| (e) Finance Costs | 108.29 | 73.63 | 84.07 | 261.05 | 228.42 |
| (f) Depreciation and amortisation expense | 136.39 | 129.22 | 108.92 | 381.24 | 321.61 |
| (g) Other expenses | 776.40 | 692.43 | 860.51 | 2,184.63 | 2,272.86 |
| Total Expenses | 4,849.38 | 4,748.15 | 4,836.95 | 13,627.21 | 13,103.06 |
| 5. Profit before tax (3-4) | 368.31 | 333.18 | -345.44 | 816.00 | 3.02 |
| 6. Exceptional Items (refer note no 7) | - | - | 164.94 | - | 164.94 |
| 7. Profit after exceptional items but before tax (5-6) | 368.31 | 333.18 | -510.38 | 816.00 | -161.92 |
| 8. Tax expense/(credit) | | | | | |
| (1) Current tax | 95.17 | 70.55 | -112.61 | 199.77 | 4.88 |
| (2) Deferred tax | 18.34 | 13.63 | 13.02 | 7.19 | 18.68 |
| 9. Profit for the period after tax (5-6) | 254.80 | 249.00 | -410.79 | 609.04 | -185.48 |
| 10. Other Comprehensive Income | | | | | |
| (i) Items that will not be reclassified to profit or loss | (0.50) | 1.68 | -2.62 | -1.50 | -7.86 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 0.17 | -0.58 | 0.91 | 0.52 | 2.72 |
| 11. Total Comprehensive Income for the period (7+8) Comprising Profit and Other Comprehensive Income for the period | 254.47 | 250.10 | -412.50 | 608.06 | -190.62 |
| 12. Net Profit after taxes | 254.47 | 250.10 | -412.50 | 608.06 | -190.62 |
| 13. Earnings Per Share (of Rs 10/- each) (not annualised) | | | | | |
| (a) Basic (Rs) | 3.04 | 2.97 | -4.90 | 7.26 | -2.21 |
| (b) Diluted (Rs) | 3.04 | 2.97 | -4.90 | 7.26 | -2.21 |

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Notes :

- 1 The consolidated financial results of Parag Milk Foods Limited ("the Company") and its subsidiary, 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 February 08, 2018.
- 2 The Company has adopted the Indian Accounting Standards (Ind-AS) from April 01, 2017 and these financial results have been prepared in accordance with the Ind-AS as specified under section 133 of Companies Act, 2013. The date of transition to Ind-AS is April 01, 2016. The impact of transition has been accounted for in opening reserves and the comparative period results has been restated accordingly.
- 3 The Statutory Auditors of the Company have conducted a limited review of the above unaudited financial results of the Group for the quarter and nine months ended December 31, 2017.
- 4 There is a possibility that these quarterly and nine months financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ended March 31, 2018, due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA/ITFG or changes in use of one or more of the optional exemptions from full retrospective application of Ind AS.
- 5 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", hence the disclosure requirements of Ind AS 108 are not applicable.
- 6 The statement does not include Ind AS compliant results for the previous year ended March 31, 2017 as the same is not mandatory as per SEBI's circular dated July 05, 2016.
- 7 Exceptional items represent VAT tax liability for previous years and interest thereon in respect of inspection conducted by VAT authorities during the quarter ended December 2016 wherein certain transactions were identified which were to be considered as local sales instead of interstate transfer.
- 8 Reconciliation of profit, as previously reported under Indian GAAP to Ind-AS for the quarter and nine months ended December 31, 2016:

Amount Rs in Million

| Particulars | Quarter ended | Nine months ended |
|--|----------------|-------------------|
| | Dec-16 | Dec-16 |
| Profit After Tax as reported under previous GAAP | -379.73 | -128.30 |
| Impact of recognising financial guarantee obligation provided at off market rate | 26.04 | 30.95 |
| Impact of recognising the cost of the employee stock option scheme at fair value | - | -6.44 |
| Increase in borrowing cost pursuant to application of effective interest rate method | -0.81 | -2.92 |
| Actuarial gain on employee defined benefits funds shown under other Comprehensive Income | - | 7.86 |
| Others | -48.91 | -73.59 |
| Deferred tax | -7.38 | -13.05 |
| Profit After Tax as per Ind AS | -410.79 | -185.48 |

9 Statement of IPO proceeds:**Amount 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: Fresh issue expenses | 212.00 | 215.94 |
| Net proceeds of the fresh issue | 2,788.00 | 2,784.06 |

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

| Particulars | Amount to be utilised | Amount utilised up 31 Dec 2017 | Pending utilisation |
|---|-----------------------|--------------------------------|---------------------|
| Expansion and modernisation of Plant | 1,477.01 | 933.60 | 543.41 |
| Investment in subsidiary for financing the capital expenditure requirements in relation to expansion and modernisation of the Bhagalaxmi Dairy Farm | 22.99 | 4.56 | 18.43 |
| Partial repayment of working capital consortium loan | 1,000.00 | 1,000.00 | - |
| General corporate purposes | 284.06 | 284.06 | - |
| Total | 2,784.06 | 2,222.22 | 561.84 |

- 10 Previous period figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification / disclosure.

Place: Mumbai
Date: February 08, 2018




For Parag Milk Foods Limited

Pritam Shah
Managing Director
DIN No. 001127247

Limited Review Report on the Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2017 pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015

To the Board of Directors

Parag Milk Foods Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results of Parag Milk Foods Limited ('the Company') for the quarter and nine months ended December 31, 2017 ("the Statement"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and relevant circulars thereon (hereinafter together referred to as "SEBI Listing Regulations"). This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") as prescribed under Section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other generally accepted accounting principles 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 the Company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
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 recognition and measurement principles of Ind AS 34 and generally accepted accounting principles in India



HARIBHAKTI & CO. LLP

Chartered Accountants

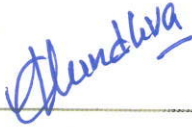
have not disclosed the information required to be disclosed in terms of SEBI Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

4. The previously issued financial information of the Company for the quarter and nine months ended December 31, 2016 prepared in accordance with the Companies (Accounting Standard) Rules, 2006 have been restated to comply with Indian Accounting Standards ("Ind AS") and included in the Statement as comparative financial information. Adjustments made to previously issued financial information prepared in accordance with the Companies (Accounting Standard) Rules, 2006 to comply with Ind AS have been reviewed by us.

For Haribhakti & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 103523W/W100048



Anup Mundhra

Partner

Membership No.: 061083

Place: Mumbai

Date: February 8, 2018





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 nine months ended December 31, 2017

Amount Rs in Million (except per share data)

| Particulars | Quarter ended | | | Nine months ended | |
|---|-----------------|-----------------|-----------------|-------------------|------------------|
| | 31-Dec-17 | 30-Sep-17 | 31-Dec-16 | 31-Dec-17 | 31-Dec-16 |
| | Unaudited | Unaudited | Unaudited | Unaudited | Unaudited |
| 1. Revenue from Operations | 5,097.43 | 4,949.46 | 4,381.88 | 14,093.66 | 12,801.86 |
| 2. Other Income | 13.20 | 13.38 | 26.66 | 34.70 | 64.33 |
| 3. Total Income | 5,110.63 | 4,962.84 | 4,408.54 | 14,128.36 | 12,866.19 |
| 4. Expenses | | | | | |
| (a) Cost of Materials consumed | 3,022.64 | 2,947.19 | 4,215.48 | 9,228.70 | 10,401.07 |
| (b) Purchase of Stock-in-trade | 197.89 | 335.02 | 29.67 | 543.75 | 523.52 |
| (c) Changes in inventories of finished goods, work-in-progress and stock-in-trade | 355.71 | 313.40 | -688.15 | 310.79 | -1,280.12 |
| (d) Employee benefits expense | 224.97 | 217.47 | 198.30 | 626.25 | 559.16 |
| (e) Finance Costs | 105.65 | 74.25 | 82.54 | 258.32 | 224.74 |
| (f) Depreciation and amortisation expense | 130.79 | 123.68 | 104.71 | 365.12 | 308.99 |
| (g) Other expenses | 723.32 | 639.69 | 810.70 | 2,029.51 | 2,110.39 |
| Total Expenses | 4,760.97 | 4,650.70 | 4,753.25 | 13,362.44 | 12,847.75 |
| 5. Profit from ordinary activities after finance costs and before exceptional items (3-4) | 349.66 | 312.14 | -344.71 | 765.92 | 18.44 |
| 6. Exceptional Items (refer note no 7) | - | - | 164.94 | - | 164.94 |
| 7. Profit from ordinary activities before tax (5-6) | 349.66 | 312.14 | -509.65 | 765.92 | -146.50 |
| 8. Tax expense/(credit) | | | | | |
| (1) Current tax | 90.41 | 66.75 | -127.70 | 191.20 | 4.88 |
| (2) Deferred tax | 19.86 | 14.81 | 20.91 | 11.12 | 3.22 |
| 9. Profit for the period after tax (7-8) | 239.39 | 230.58 | -402.86 | 563.60 | -154.60 |
| 10. Other Comprehensive Income | | | | | |
| (i) Items that will not be reclassified to profit or loss | -0.50 | 1.68 | -2.62 | -1.50 | -7.86 |
| (ii) Income tax relating to items that will not be reclassified to profit or loss | 0.17 | -0.58 | 0.91 | 0.52 | 2.72 |
| 11. Total Comprehensive Income for the period (9+10) Comprising Profit and Other Comprehensive Income for the period | 239.06 | 231.68 | -404.57 | 562.62 | -159.74 |
| 12. Net Profit after taxes | 239.06 | 231.68 | -404.57 | 562.62 | -159.74 |
| 13. Earnings Per Share (of Rs 10/- each) (not annualised) | | | | | |
| (a) Basic (Rs) | 2.85 | 2.75 | -4.80 | 6.72 | -1.84 |
| (b) Diluted (Rs) | 2.85 | 2.75 | -4.80 | 6.72 | -1.84 |

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- 1 The standalone financial results 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 February 08, 2018.
- 2 The Company has adopted the Indian Accounting Standards (Ind-AS) from April 01, 2017 and these financial results have been prepared in accordance with the Ind-AS as specified under section 133 of Companies Act, 2013. The date of transition to Ind-AS is April 01, 2016. The impact of transition has been accounted for in opening reserves and the comparative period results has been restated accordingly.
- 3 The Statutory Auditors of the Company have conducted a limited review of the above unaudited financial results of the Company for the quarter and nine months ended December 31, 2017.
- 4 There is a possibility that these quarterly and nine months financial results may require adjustment before constituting the final Ind AS financial statements as of and for the year ended March 31, 2018, due to changes in financial reporting requirements arising from new or revised standards or interpretations issued by MCA/ITFG or changes in use of one or more of the optional exemptions from full retrospective application of Ind AS.
- 5 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", hence the disclosure requirements of Ind AS 108 are not applicable.
- 6 The statement does not include Ind AS compliant results for the previous year ended March 31, 2017 as the same is not mandatory as per SEBI's circular dated July 05, 2016.
- 7 Exceptional items represent VAT tax liability for previous years and interest thereon in respect of inspection conducted by VAT authorities during the quarter ended December 2016, wherein certain transactions were identified which were to be considered as local sales instead of interstate transfer.
- 8 Reconciliation of profit, as previously reported under Indian GAAP to Ind-AS for the quarter and nine months ended December 31, 2016:

| Particulars | Amount Rs in Million | |
|--|----------------------|-------------------|
| | Quarter ended | Nine months ended |
| | Dec-16 | Dec-16 |
| Profit After Tax as reported under previous GAAP | -379.44 | -106.52 |
| Impact of recognising financial guarantee obligation provided at off market rate | 6.96 | 14.12 |
| Impact of recognising the cost of the employee stock option scheme at fair value | - | -6.43 |
| Increase in borrowing cost pursuant to application of effective interest rate method | -0.81 | -2.92 |
| Actuarial gain on employee defined benefits funds shown under other Comprehensive Income | - | 7.86 |
| Others | -25.31 | -50.00 |
| Deferred tax | -4.27 | -10.71 |
| Profit After Tax as per Ind AS | -402.86 | -154.60 |

9 Statement of IPO proceeds:

| Particulars | Amount Rs in Million | |
|-----------------------------------|----------------------|-----------------------|
| | Amount as per | Amount to be utilised |
| Gross proceeds of the fresh issue | 3,000.00 | 3,000.00 |
| Less: Fresh issue expenses | 212.00 | 215.94 |
| Net proceeds of the fresh issue | 2,788.00 | 2,784.06 |

Utilisation of IPO proceeds:

| Particulars | Amount Rs in Million | | |
|---|-----------------------|--------------------------------|---------------------|
| | Amount to be utilised | Amount utilised up 31 December | Pending utilisation |
| Expansion and modernisation of Plant | 1,477.01 | 933.60 | 543.41 |
| Investment in subsidiary for financing the capital expenditure requirements in relation to expansion and modernisation of the Bhagalaxmi Dairy Farm | 22.99 | 4.56 | 18.43 |
| Partial repayment of working capital consortium loan | 1,000.00 | 1,000.00 | - |
| General corporate purposes | 284.06 | 284.06 | - |
| Total | 2,784.06 | 2,222.22 | 561.84 |

- 10 Previous period figures have been regrouped/reclassified wherever necessary to correspond with the current period's classification / disclosure.

Place: Mumbai
Date: February 08, 2018

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For Parag Milk Foods Limited

Pritam Shah
Managing Director
DIN No. 001127247