



Ideas for a new day

June 12, 2021

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, 2021

The Board of Directors of the Company at their Meeting held on June 12, 2021 has inter alia, considered and approved the Audited Standalone and Consolidated Financial Results for the Quarter and Financial Year ended March 31, 2021.

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, 2021 and
- In terms of the provisions of Regulation 33(3)(d) of the Listing Regulations, we hereby declare that the M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No. 109982W) 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, 2021.
- Press Release with regard to the Audited Financial Results of the Company for the Quarter and Financial Year ended March 31, 2021.

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 Co-Op Housing Society, Behind Ratna Memorial Hospital,
Senapati Bapat Road, Shivaji Nagar, Pune - 411016. Ph.: +91 72764 70001

Corporate Office: 10th floor, Nirmal building, Nariman point, Mumbai - 40021 Tel.: 022-43005555 Fax: 022-43005580

Website: www.paragmilkfoods.com | email: investors@paragmilkfoods.com



Investor Release

For Immediate Release

Parag Milk Foods Limited FY21 Financial Performance

- ✓ Revenue declined due to pandemic at Rs. 18,418 million for the year
- ✓ EBITDA stood at Rs. 1,248 million with EBITDA margin of 6.8%
- ✓ PAT stood at Rs. 207 million with PAT margin of 1.1%

Mumbai, 12th June 2021: Parag Milk Foods Limited, 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 2021

Performance Highlights for FY21

Consolidated Revenue from Operations for FY21 reported a degrowth of 24% YoY to Rs. 18,418 million as compared to Rs. 24,379 million in FY20

The share of Milk Products for FY21 is 73% of total revenue, while that of liquid milk was 10% and the same for Skimmed Milk Powder was 15%.

Growth for FY21 was subdued due to:

- Business from the HORECA segment (Hotel, Restaurants and Catering Channel Partners) was impacted during the year due to lockdowns across the country during the year.
- A large part of our Liquid Milk is distributed through Modern Trade channel and due to pandemic situation and subsequent lockdowns, Modern Trade channel was highly affected as well as there has been shift in consumer buying behaviour from these outlets, leading to lower revenues.
- Lower commodity sales (SMP) due to lockdown related disruptions.

Gross Profit for FY21 stood at Rs. 4,799 million as compared to Rs. 6,232 million in FY20. During the year, the prices of milk increased post easing of lockdown restrictions after first phase and peaked in Q4FY21. Milk prices have started softening during the current quarter and procurement has increased.

EBITDA for FY21 stood at Rs. 1,248 million and EBITDA Margin stood at 6.8%. With operating leverage to payout, we expect our margins to improve once our revenues come back to normalcy.

PAT for FY21 stood at Rs. 207 million and PAT Margin stood at 1.1% in FY21

Dividend: The Board of Directors have recommended a Total Dividend of Rs. 0.5/- per equity share of Face Value of Rs. 10/- each (5% of Face Value) for the financial year ended 31st March 2021

Company raises Rs. 316 crores by preferential allotment of equity shares, FCCBs and other Instruments

- International Finance Corporation (IFC) has invested Rs. 155 crores by way of subscription to preferential issue of equity shares and subscription of FCCBs in addition to proposed subscription to NCDs of Rs. 150 crores committed in December 2020
- Sixth Sense Venture Advisors LLP, invested Rs. 50 crores by way of preferential issue of equity shares
- The promoters have further subscribed for preferential allotment of 1,00,00,000 convertible share warrants, convertible into equity shares for Rs. 111 crores. With this, the promoter holding in the company would be maintained at 46%

Marketing Campaigns & Consumer Engagement Initiatives



GO CHEESE

Campaign on Top Hindi News Channel AAJ TAK & Marathi News Channel ABP Majha



Did online influencer activity with food bloggers. It was overall a successful campaign.

Got organic followers and high engagement on Insta page post this activity



Hamper activity during Valentine's day along with the influencer activity to promote this campaign

It was a contest where followers must share their full of love moment and tag PoC page. Purpose of this activity was to gain some engagement through social media

<https://www.youtube.com/watch?v=-Kq383XekE4>



Commenting on the performance, Mr. Devendra Shah, Chairman said

"FY21 has been a very challenging year for us. COVID-19 has impacted the entire economy and we are fortunate to be in branded value-added food business, being impacted to much lesser extent. Our distribution was impacted as we faced restrictions in movement of stock as well as availability of manpower and closure of outlets due to lockdowns.

However, we believe that our performance in such extra-ordinary circumstances has been quite good. First of all, we took good care of our farmers, who are the main pillars of this business and ensured much higher milk collection from them during these difficult times when there was lesser demand. We had to convert all that excess milk into inventory of various products to be liquidated at later stage, but this solidarity with farmers have boosted their confidence further in the Company and would go a long way in forging lasting relationships. We also took good care of not only our own employees but society at large by engaging in various CSR activities to support the pandemic effected people.

We have also continued on our cost rationalisation efforts to minimise the impact on profitability in these difficult times. We have been proactive in adapting our distribution as well as supply chain in this situation as also introduction of new products and brand building efforts.

In the month of April 2021, our Company raised funds through preferential allotment of equity shares, FCCBs and other Instruments. This will help reduce the overall debt burden. The funds will also be utilized for meeting our capex requirements over the next 2 years and would free up our cash flows during that period. Additionally, the proceeds would be utilised to enhance working capital for future growth. This would provide enough firepower to bolster the balance sheet and propel the company for future growth.

We believe that COVID-19 will bring up new opportunities across dairy and FMCG sectors and our Company being a well-established player in the value-added segments with a pan – India distribution reach is well placed to capture these opportunities and increase our market share.

We have been committed to our long-term goal of providing the highest level of consumer satisfaction with our host of well-established brands and we are confident of achieving robust operational and financial performance with full-fledged revival in demand across product categories."



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 also forayed into dairy based beverages with the launch of "Topp Up" and "Slurp" - a mango drink with a dash of 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.

Contact Details

Company: Parag Milk Foods	Investor Relations: Orient Capital
	
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www.paragmilkfoods.com	www.orientcap.com

Safe Harbor

Any forward-looking statements about expected future events, financial and operating results of the Company are based on certain assumptions which the Company does not guarantee the fulfilment of. These statements are subject to risks and uncertainties. Actual results might differ substantially or materially from those expressed or implied. Important developments that could affect the Company's operations include a downtrend in the industry, global or domestic or both, significant changes in political and economic environment in India or key markets abroad, tax laws, litigation, labour relations, exchange rate fluctuations, technological changes, investment and business income, cash flow projections, interest, and other costs. The Company does not undertake any obligation to update forward-looking statements to reflect events or circumstances after the date thereof.



Parag Milk Foods Limited
Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital,
Shivaji Nagar, Pune - 411 016, Maharashtra, India

CIN:L15204PN1992PLC070209, Website: www.paragmilkfoods.com, Email id: investors@parag.com
Statement of Standalone Financial Results for the quarter and year ended 31st March, 2021

Amount Rs in Million (except per share data)

Particulars	Quarter ended			Year Ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited (Refer Note 7)	Unaudited	Audited (Refer Note 7)	Audited	Audited
1. Revenue from operations	4,222.23	4,620.04	5,244.72	17,917.35	23,912.77
2. Other income	43.69	6.88	(4.05)	68.24	29.19
3. Total Income	4,265.92	4,626.92	5,240.67	17,985.59	23,941.96
4. Expenses					
(a) Cost of materials consumed	3,378.33	2,771.30	5,201.51	13,006.14	17,534.45
(b) Purchase of Stock-in-trade	293.95	575.60	171.69	975.31	2,220.30
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(429.85)	71.21	(1,361.62)	(580.76)	(1,824.27)
(d) Employee benefits expense	185.55	186.83	183.96	753.27	930.53
(e) Finance costs	120.46	114.13	88.97	455.18	380.41
(f) Depreciation and amortisation expense	118.13	120.98	131.14	493.76	513.75
(g) Other expenses	601.62	655.87	641.85	2,496.02	2,934.67
Total Expenses	4,268.19	4,495.92	5,057.50	17,598.92	22,689.84
5. Profit / (loss) before tax (3-4)	(2.27)	131.00	183.17	386.67	1,252.12
6. Tax expense					
(i) Current tax	(42.72)	34.76	35.97	61.12	293.13
(ii) MAT (Credit) / Reversal	16.28	(9.07)	35.38	-	35.38
(iii) Deferred tax	64.61	(3.80)	26.50	70.41	17.23
(iv) Tax adjustment in respect of earlier years	80.60	-	-	80.60	-
7. Profit / (loss) for the period/year after tax (5-6)	(121.04)	109.11	85.32	174.54	906.38
8. Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
(i) Re-measurements (loss)/gain of the defined benefit plans	8.44	(0.27)	4.37	7.63	5.54
(ii) Income tax on above	(2.20)	0.09	(1.53)	(1.92)	(1.93)
9. Total Comprehensive Income for the period/year (7+8) Comprising Profit and Other Comprehensive Income for the period/year	(114.80)	108.93	80.16	180.25	909.99
Paid-up equity share capital (Face Value of Rs. 10 each)	839.39	839.39	839.39	839.39	839.39
Other Equity				8,358.74	8,221.53
10. Earnings Per Equity Share (of Rs 10 each) (not annualised)					
(a) Basic (Rs)	(1.44)	1.30	1.05	2.08	10.80
(b) Diluted (Rs)	(1.44)	1.30	1.05	2.08	10.78



Notes on Standalone Financials Results:

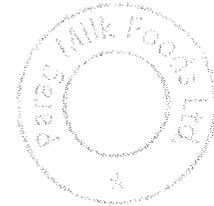
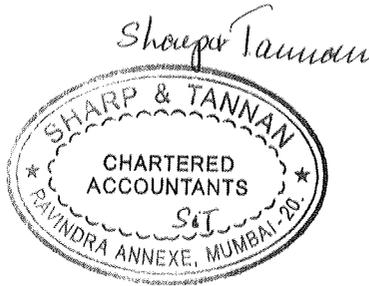
- 1 The Standalone Audited Financial Results (the 'Statement') for the quarter and year ended 31st March, 2021 of Parag Milk Foods Limited (the 'Company') have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their meeting held on 12th June, 2021 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). Audit under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the statutory auditors. Auditor's report does not contain any observation which would have an impact on the above results.
- 2 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) (as amended, from time to time) as specified under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies, to the extent applicable.
- 3 Based on guiding principles given in Ind AS 108, *Operating Segments*, the Company's business activity falls within a single operating segment namely, 'Milk and Milk Related Products' and hence, the disclosure requirements of Ind AS 108 are not applicable.
- 4 Based on its initial assessment, the Management does not expect any significant medium to long-term impact on the business of the Company due to the COVID-19 pandemic. The Company has evaluated the possible effects of COVID-19 on the carrying amounts of property, plant and equipment, inventory and trade receivables basis the internal and external sources of information and determined, exercising reasonable estimates and judgements, that the carrying amounts of these assets are recoverable. Having regard to the above, and the Company's operating efficiency and gradually improving liquidity position, there is no material uncertainty in meeting the financial obligations over the foreseeable future.
- 5 The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits received the President's assent on 28th September, 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment has released the draft Rules for the Code on 13th November, 2020 and has invited suggestions from the stakeholders. However, the date on which the Code/Rules will come to effect has not been notified.

The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 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 31st March, 2021.
- 7 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and year-to-date figures up to the third quarter of the financial year which were subjected to Limited Review.
- 8 Figures for the previous period / year have been regrouped wherever necessary.

Place: Manchar

Date: 12th June, 2021


Pritam Shah
Managing Director
DIN No. 01127247





Parag Milk Foods Limited

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Standalone Statement of Assets and Liabilities

Amount INs in Million

S. No	Particulars	As at 31-Mar-2021 Audited	As at 31-Mar-2020 Audited
A	ASSETS		
1	Non Current Assets		
	(a) Property, plant and equipment	3,787.68	3,957.37
	(b) Capital work-in-progress	9.34	66.82
	(c) Other intangible assets	19.27	26.30
	(d) Financial assets		
	(i) Investments	630.84	628.16
	(ii) Other financial assets	120.71	120.96
	(e) Deferred tax assets (net)	54.19	122.68
	(f) Other non-current assets	23.66	75.14
	Total Non-Current Assets	4,645.69	4,997.43
2	Current Assets		
	(a) Inventories	6,873.32	6,268.27
	(b) Financial assets		
	(i) Trade receivables	1,559.15	2,994.85
	(ii) Cash and cash equivalents	65.34	213.15
	(iii) Bank Balances other than (ii) above	117.06	54.55
	(c) Other current assets	3,120.36	2,118.16
	(d) Current tax assets (net)	1.33	-
	Total Current Assets	11,736.56	11,648.98
	Total Assets	16,382.25	16,646.41
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	839.39	839.39
	(b) Other equity	8,358.74	8,221.53
	Total Equity	9,198.13	9,060.92
2	Non-Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	208.63	481.48
	(ii) Other financial liabilities	84.04	109.75
	(b) Provisions	40.04	43.36
	Total Non-Current Liabilities	332.71	634.59
3	Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	3,125.60	3,167.10
	(ii) Trade payables		
	(a) Due to micro and small enterprises	8.97	25.03
	(b) Due to creditors other than micro and small enterprises	2,879.10	2,789.26
	(iii) Other financial liabilities	622.44	795.42
	(b) Other current liability	210.86	93.04
	(c) Provisions	4.44	4.21
	(d) Current tax liabilities (net)	-	76.84
	Total Current Liabilities	6,851.41	6,950.90
	Total Liabilities	7,184.12	7,585.49
	Total Equity and Liabilities	16,382.25	16,646.41





Parag Milk Foods Limited

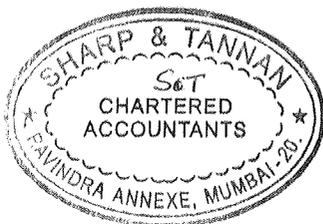
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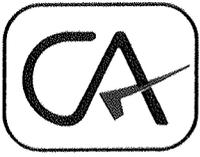
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Standalone Statement of Cash Flows for the year ended 31st March 2021

Amount Rs in Million

Particulars	Year ended 31-Mar-2021 Audited	Year ended 31-Mar-2020 Audited
A. Cash flows from operating activities		
Profit before tax	386.67	1,252.12
Depreciation and amortisation expense	493.76	513.75
Provision for doubtful debts and advances (net of recoveries/reversals)	126.89	95.10
Net (gain) / loss on sale/ fair valuation of investments	(6.07)	6.25
ESOS expense	(0.98)	3.38
Finance costs	455.18	380.41
Sundry balances written back	(24.78)	(5.58)
Interest income	(20.46)	(25.08)
Operating profit before working capital changes	1,410.21	2,220.35
Adjustments for :		
(Increase) / decrease in inventories	(605.05)	(1,790.82)
(Increase)/Decrease in trade and other receivables	302.75	(731.02)
(Decrease) / Increase in trade and other payables	111.53	(74.76)
Increase / (decrease) in provisions	4.53	0.20
Cash generated from operations	1,223.97	(376.05)
Taxes paid (net of refunds)	(219.89)	(351.25)
Net cash flows from operating activities	1,004.08	(727.30)
B. Cash Flows from Investing Activities		
Purchase of Property, plant and equipment	(296.45)	(250.58)
Purchase of intangible assets	(8.85)	(11.50)
Maturity / (Investment) of fixed deposits	(63.24)	2.10
Investment in mutual funds	(2.68)	(0.01)
Interest received	27.94	17.79
Net cash used in investing activities	(343.28)	(242.20)
C. Cash Flows from Financing Activities		
Proceeds from long term borrowings	-	73.65
Proceeds / (repayment) short term borrowings (net)	(41.50)	1,723.28
Repayment of long term borrowings	(268.41)	(197.35)
Payment of dividend including dividend distribution tax	(42.06)	(101.40)
Interest paid	(456.64)	(383.22)
Net cash flows from/ (used in) financing activities	(808.61)	1,114.96
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(137.81)	145.46
Cash and cash equivalents at the beginning of the year	213.15	67.69
Cash and cash equivalents at the end of the year	65.34	213.15





SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

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 Quarterly Financial Results of **Parag Milk Foods Limited** (the 'Company') for the quarter ended 31st March, 2021 and the year-to-date results for the period from 1st April, 2020 to 31st March, 2021, 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 (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, these annual financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give 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 standalone net profit and other comprehensive income and other financial information for the quarter ended 31st March, 2021 as well as the year-to-date results for the period from 1st April, 2020 to 31st March, 2021.

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 (the '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 standalone financial results 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 4 to the accompanying standalone financial results 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.



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Firdosh D. Buchia Tirtharaj A. Khot Pavan K. Aggarwal

Also at Pune. Associate Offices : New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year-to-date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these standalone financial results that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34, *Interim Financial Reporting* 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. 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, 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 standalone financial results 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 these standalone financial results.

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 standalone financial results, 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 standalone financial results 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 Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results 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 annual standalone financial results include the results for the quarter ended 31st March, 2021 being the balancing figure between audited figures in respect of the full financial year and the published unaudited figures up to the third quarter of the current financial year which were subject to limited review by us.



Mumbai, 12th June, 2021

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

Edwin P. Augustine
Partner
Membership No. 043385
UDIN: 21043385AAAADZ9254



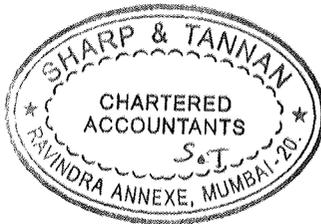
Parag Milk Foods Limited
Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital,
Shivaji Nagar, Pune - 411 016, Maharashtra, India

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

Statement of Consolidated Financial Results for the quarter and year ended 31st March, 2021

Amount Rs in Million (except per share data)

Particulars	Quarter ended			Year ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited (Refer Note 8)	Unaudited	Audited (Refer Note 8)	Audited	Audited
1. Revenue from operations	4,343.46	4,735.91	5,352.33	18,417.63	24,379.24
2. Other income	68.20	29.84	9.38	135.09	75.99
3. Total Income	4,411.66	4,765.75	5,361.71	18,552.72	24,455.23
4. Expenses					
(a) Cost of materials consumed	3,431.25	2,822.32	5,251.40	13,235.23	17,669.92
(b) Purchase of Stock-in-trade	293.95	575.60	171.69	975.31	2,220.30
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(430.24)	57.21	(1,364.01)	(591.43)	(1,743.36)
(d) Employee benefits expense	191.96	195.31	191.78	781.97	961.04
(e) Finance costs	121.38	115.61	88.98	457.74	381.04
(f) Depreciation and amortisation expense	124.46	127.17	137.29	517.98	536.41
(g) Other expenses	672.19	733.98	701.37	2,768.68	3,160.32
Total Expenses	4,404.95	4,627.20	5,178.50	18,145.48	23,185.67
5. Profit before tax (3-4)	6.71	138.55	183.21	407.24	1,269.56
6. Tax expense					
(i) Current tax	(47.76)	37.12	36.42	61.12	297.88
(ii) MAT (Credit) / Reversal	16.29	(9.08)	53.83	-	53.83
(iii) Deferred tax	59.04	(1.65)	34.14	63.50	23.22
(iv) Tax adjustment in respect of earlier years	75.57	-	(42.26)	75.57	(42.26)
7. Profit / (loss) for the period/year after tax (5-6)	(96.42)	112.16	101.07	207.05	936.89
8. Other Comprehensive Income					
Items that will not be reclassified to profit or loss					
(i) Re-measurements (loss)/gain of the defined benefit plans	8.59	(0.28)	4.34	7.75	5.47
(ii) Income tax on above	(2.24)	0.10	(1.52)	(1.95)	(1.91)
9. Total Comprehensive Income for the period/year (7+8) Comprising Profit and Other Comprehensive Income for the period/year	(90.07)	111.98	103.89	212.85	940.45
Paid-up equity share capital (Face Value of Rs. 10 each)	839.39	839.39	839.39	839.39	839.39
Other Equity				8,112.03	8,272.23
10. Earnings Per Equity Share (of Rs 10 each) (not annualised)					
(a) Basic (Rs)	(1.15)	1.34	1.24	2.47	11.16
(b) Diluted (Rs)	(1.15)	1.33	1.24	2.46	11.14



Notes on Consolidated Financial Results :

- 1 The Consolidated Audited Financial Results (the 'Statement') for the quarter and year ended 31st March, 2021 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 12th June, 2021 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). Audit under Regulation 53 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been carried out by the statutory auditors. Auditor's report does not contain any observation which would have an impact on the above results.
- 2 The above results comprise the results of Parag Milk Foods Limited (Parent Company) and one subsidiary company, Bhagyalaxmi Dairy Farms Private Limited.
- 3 This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules 2015 (Ind AS) (as amended, from time to time) as specified under Section 133 of Companies Act, 2013 and other recognised accounting practices and policies, to the extent applicable.
- 4 Based on guiding principles given in Ind AS 108, *Operating Segments*, the Group's business activity falls within a single operating segment namely, 'Milk and Milk Related Products' and hence, the disclosure requirements of Ind AS 108 are not applicable.
- 5 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.
- 6 The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits received the President's assent on 28th September, 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment has released the draft Rules for the Code on 13th November, 2020 and has invited suggestions from the stakeholders. However, the date on which the Code/Rules will come to effect has not been notified.

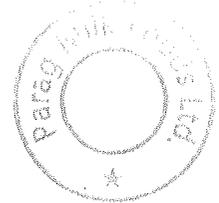
The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 7 The Board of Directors of the Parent Company has recommended a dividend of 5% (Rs. 0.50/- per share of face value of Rs. 10/-) for the financial year ended 31st March, 2021.
- 8 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and year-to-date figures up to the third quarter of the financial year which were subjected to Limited Review.
- 9 Figures for the previous period / year have been regrouped wherever necessary.

Place: Manchar
Date: 12th June, 2021

Shampraj Tannan



Pritam Shah
Managing Director
DIN No. 01127247





Parag Milk Foods Limited

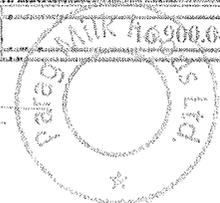
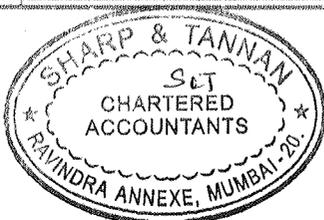
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Consolidated Statement of Assets and Liabilities

Amount Rs in Million

S. No	Particulars	As at 31-Mar-2021 Audited	As at 31-Mar-2020 Audited
A	ASSETS		
1	Non Current Assets		
	(a) Property, plant and equipment	4,310.61	4,270.11
	(b) Capital work-in-progress	30.50	70.24
	(c) Other intangible assets	19.43	26.51
	(d) Biological assets other than bearer plants	402.60	359.72
	(e) Financial assets		
	(i) Investments	8.20	5.52
	(ii) Loans	4.36	4.32
	(iii) Other financial assets	120.83	121.08
	(f) Deferred tax assets(net)	30.86	88.26
	(g) Other non-current assets	39.21	187.11
	Total Non-Current Assets	4,966.60	5,132.87
2	Current Assets		
	(a) Inventories	6,947.85	6,328.86
	(b) Financial assets		
	(i) Trade receivables	1,589.48	3,034.79
	(ii) Cash and cash equivalents	69.45	223.78
	(iii) Bank Balances other than (ii) above	117.06	54.65
	(c) Other current assets	3,134.85	2,125.09
	Total Current Assets	11,858.69	11,767.17
	Total Assets	16,825.29	16,900.04
B	EQUITY AND LIABILITIES		
1	Equity		
	(a) Equity share capital	839.39	839.39
	(b) Other equity	8,442.03	8,272.23
	Total Equity	9,281.42	9,111.62
2	Non-Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	333.19	481.48
	(ii) Other financial liabilities	85.92	112.14
	(b) Provisions	42.00	45.10
	Total Non-Current Liabilities	461.11	638.72
3	Current Liabilities		
	(a) Financial liabilities		
	(i) Borrowings	3,175.24	3,215.68
	(ii) Trade payables		
	(a) Due to micro and small enterprises	8.97	25.41
	(b) Due to creditors other than micro and small enterprises	3,032.33	2,915.00
	(iii) Other financial liabilities	629.18	804.26
	(b) Other current liabilities	231.19	104.90
	(c) Provisions	4.78	4.58
	(d) Current tax liabilities (net)	1.07	79.87
	Total Current Liabilities	7,082.76	7,149.70
	Total Liabilities	7,543.87	7,788.42
	Total Equity and Liabilities	16,825.29	16,900.04





Parag Milk Foods Limited
Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital,

CIN: L15204PN1992PLC070209. Website: www.paragmilkfoods.com, Email id: investors@parag.com
Statement of Consolidated Cash Flows for the year ended 31st March 2021

Particulars	Amount Rs in Million	
	Year ended 31-Mar-2021 Audited	Year ended 31-Mar-2020 Audited
A. Cash flows from operating activities		
Profit before tax	497.24	1,269.56
Depreciation and amortisation expense	517.98	536.41
Provision for doubtful debts and advances (net of recoveries/reversals)	131.29	98.89
Net (gain) / loss on sale/ fair valuation of investments	(6.07)	6.25
ESOS expense	(0.98)	3.38
Finance costs	457.74	381.04
Sundry balances written back	-24.78	-5.58
Loss on sale or death of livestock	16.39	15.21
Fair value change of livestock	(65.68)	(40.00)
Interest income	(20.49)	(25.12)
Operating profit before working capital changes	1,412.64	2,240.04
Adjustments for :		
(Increase) / decrease in inventories	(618.99)	(1,700.07)
(Increase)/Decrease in trade and other receivables	300.20	(802.55)
(Decrease) / Increase in trade and other payables	120.52	(47.76)
Increase / (decrease) in provisions	4.85	0.46
Cash generated from operations	1,219.22	(309.88)
Taxes paid (net of refunds)	(219.70)	(354.07)
Net cash flows from operating activities	999.52	(663.95)
B. Cash Flows from Investing Activities		
Purchase of Property, plant and equipment	(434.70)	(306.66)
Purchase of intangible assets	(8.85)	(11.50)
Sale of livestock	6.41	2.69
Sale of Property, plant and equipment	6.68	0.58
Maturity / (investment) of fixed deposits	(63.13)	2.08
Investment in mutual funds	(2.68)	(0.01)
Interest received	27.96	17.84
Net cash used in investing activities	(468.31)	(294.98)
C. Cash Flows from Financing Activities		
Proceeds from long term borrowings	-	73.65
Proceeds / (repayment) short term borrowings (net)	(40.44)	1,718.22
Repayment of long term borrowings	(143.84)	(197.35)
Payment of dividend including dividend distribution tax	(42.06)	(101.41)
Interest paid	(459.20)	(383.86)
Net cash flows from/ (used in) financing activities	(685.54)	1,109.25
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(154.33)	150.32
Cash and cash equivalents at the beginning of the year	223.78	73.46
Cash and cash equivalents at the end of the year	69.45	223.78





SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Parag Milk Foods Limited (the 'Holding Company')

Report on the Audit of 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 subsidiaries (the Holding Company and its subsidiary together referred to as the 'Group') for the year ended 31st March, 2021, 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 (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of our reports on separate audited financial statements of the subsidiaries, the aforesaid consolidated financial results:

- i. include the annual financial results of one subsidiary, Bhagyalaxmi Dairy Farms Private Limited – a wholly-owned subsidiary
- ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. give a true and fair view in conformity with 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 31st March, 2021.

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 (the '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 ethical requirements that are relevant to our audit of the financial statements 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 5 to the accompanying consolidated financial results 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.



Ramendra CHARTERED, Churchgate Reclamation, Dinshaw Vachha Road, Mumbai - 400 020, India.

Ph (22) 2204 7122/23, 2286 9900 Fax (22) 2286 9949 E-mail : admin.mumbai@stllp.in

Shreehar J. Kunte
Anshu K. Bucha

Ramnath D. Kare
Tirtharaj A. Khot

Edwin P. Augustine
Pavan K. Aggarwal

Raghunath P. Acharya

Also at Pune. Associate Offices : New Delhi, Chennai, Bangalore, Baroda, Goa & Ahmedabad

Board of Directors' Responsibilities for the Consolidated Financial Results

These consolidated financial results have 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 these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with 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 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 consolidated 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 consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, 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.

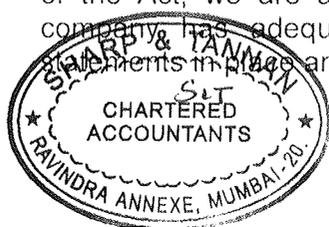
The respective Board of Directors of companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial results 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 these consolidated financial results.

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 consolidated financial results, 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 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 consolidated financial results 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 consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors 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.

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

Other Matter

The annual consolidated financial results include the results for the quarter ended 31st March, 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited figures up to the third quarter of the current financial year which were subject to limited review by us.



Mumbai, 12th June, 2021

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

Edwin P. Augustine
Partner

Membership No. 043385
UDIN: 21043385AAAAAEB8743