



PARAG MILK FOODS LIMITED

Our Company was incorporated as Parag Milk & Milk Products Private Limited on December 29, 1992 with the registrar of companies at Mumbai with our registered office at Pune as a private limited company under the Companies Act, 1956. The name of our Company was changed to Parag Milk Foods Private Limited and a fresh certificate of incorporation consequent upon change of name was granted by the Registrar of Companies, Maharashtra at Pune (“RoC”) on April 11, 2008. Our Company was converted into a public limited company pursuant to approval of the shareholders at an extraordinary general meeting held on May 16, 2015. Consequently, the name of our Company was changed to Parag Milk Foods Limited and a fresh certificate of incorporation consequent upon conversion to a public limited company was granted to our Company by the RoC on July 7, 2015. For details of changes in the name and Registered Office of our Company, see “History and Certain Corporate Matters” on page 162 of the Red Herring Prospectus dated April 21, 2016 (“RHP”).

Registered Office: Flat No.1, Plot No. 19, Nav Rajasthan Society, S.B. Road, Shivaji Nagar, Pune 411 016; **Corporate Office:** 20th floor, Nirmal Building, Nariman Point, Mumbai 400 021. **Contact Person:** Rachana Sangneria, Company Secretary and Compliance Officer; **Tel:** (91 22) 4300 5555; **Fax:** (91 22) 4300 5580; **Email:** cs@paragmilkfoods.com. **Website:** www.paragmilkfoods.com; **Corporate Identity Number:** U15204MH1992PLC070209.

PROMOTERS OF OUR COMPANY: DEVENDRA SHAH, PRITAM SHAH AND PARAG SHAH

PUBLIC ISSUE OF UP TO [•] EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH (THE “EQUITY SHARES”) OF PARAG MILK FOODS LIMITED (OUR “COMPANY” OR “ISSUER”) FOR CASH AT A PRICE OF ₹ [•] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹ [•] PER EQUITY SHARE) AGGREGATING UP TO ₹ [•] MILLION CONSISTING OF A FRESH ISSUE OF [•] EQUITY SHARES AGGREGATING UP TO ₹ 3,000 MILLION AND AN OFFER FOR SALE OF UP TO 20,572,573 EQUITY SHARES COMPRISING OF 14,286,449 EQUITY SHARES BY THE INVESTOR SELLING SHAREHOLDERS AND 6,286,124 EQUITY SHARES BY THE OTHER SELLING SHAREHOLDERS (AS DEFINED IN THE RHP) (THE OFFER FOR SALE AND THE FRESH ISSUE ARE COLLECTIVELY REFERRED TO AS THE “ISSUE”). THE ISSUE INCLUDES A RESERVATION OF 300,000 EQUITY SHARES AGGREGATING UP TO ₹ [•] MILLION FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED IN THE RHP) (THE “EMPLOYEE RESERVATION PORTION”). THE ISSUE LESS EMPLOYEE RESERVATION PORTION IS REFERRED TO AS THE NET ISSUE. THE ISSUE AND THE NET ISSUE WILL CONSTITUTE [•]% AND [•]%, RESPECTIVELY, OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

***Price Band: ₹ 215 to ₹ 227 per Equity Share of face value of ₹ 10 each.**

The Floor Price is 21.5 times the face value and the Cap Price is 22.7 times the face value.

Bids can be made for a minimum of 65 Equity Shares and in multiples of 65 Equity Shares thereafter.

Discount to Retail Individual Bidders and Eligible Employees: ₹ 12 per Equity Share

* The Price Band has been revised subsequent to the price band advertisement dated April 25, 2016 issued in accordance with Regulation 30(2) of the SEBI Regulations (“**Price Band Advertisement**”). The revision is in accordance Schedule XI, Part A, clause 8(b)(ii) of the SEBI Regulations. The minimum Bid Lot shall remain 65 Equity Shares. The RHP and the Abridged Prospectus (including the sections entitled (i) Cover Page, (ii) Definitions and Abbreviations, (iii) Basis for Issue Price; and (iv) Issue information as applicable) and the ratios set out in the Price Band Advertisement, shall stand amended accordingly. All other terms and conditions of the RHP shall continue to remain applicable. We undertake to update the Prospectus accordingly prior to filing with the RoC.

Risks to Investors:

- The four BRLMs associated with the Issue have handled 16 public issues in the past three years out of which 7 issues closed below the issue price on listing date.
- Average cost of acquisition of Equity Shares for the Promoters of the Company is in the range of ₹ 1.01 to ₹ 1.90 and the average cost of acquisition for the selling shareholders is in the range of ₹ 3.14 to ₹ 109.75 and the Issue Price for the public at the upper end of Price Band is as high as ₹ 227.

BID / ISSUE
PERIOD

OPEN

NOW CLOSES ON WEDNESDAY, MAY 11, 2016*

*** The Issue was scheduled to close on Friday, May 06, 2016. The Bid/Issue period has now been extended by three (3) Working Days and the Issue will consequently close on Wednesday, May 11, 2016. All other terms and conditions prescribed in the RHP, as amended, shall continue to be applicable.**

ASBA*

Simple, Safe, Smart way of
Application - Make use of it!!!

*Applications supported by blocked amount (ASBA) is a better way of applying to issues by simply blocking the fund in the bank account, investors can avail the same. For further details, check section on ASBA below.
Mandatory in public issue from January 1, 2016. No cheque will be accepted.

In case of any further revision to the Price Band, the Bid/Issue Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Issue Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE Limited (“**BSE**”) and the National Stock Exchange of India Limited (“**NSE**”), by issuing a press release, and also by indicating the change on the websites of the BRLMs, the terminals of the Syndicate Members and the Self Certified Syndicate Banks (“**SCSBs**”).

In terms of Rule 19(2)(b)(ii) of the Securities Contracts (Regulation) Rules, 1957, as amended (“**SCRR**”), the Equity Shares issued in the Issue shall aggregate to at least such percentage of the post-Issue Equity Share capital of our Company (calculated at the Issue Price) that will be at least ₹ 4,000 million and the post-Issue capital of our Company at the Issue Price will be more than ₹ 16,000 million but less than or equal to ₹ 40,000 million. The Issue is being made through the Book Building Process, in compliance with Regulation 26(2) of the SEBI Regulations, wherein at least 75% of the Net Issue shall be Allotted on a proportionate basis to Qualified Institutional Buyers (“**QIBs**”) (the “**QIB Portion**”), provided that our Company in consultation with the Investor Selling Shareholders and the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Issue Price. If at least 75% of the Net Issue cannot be Allotted to QIBs, then the entire application money shall be refunded forthwith. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the “**SEBI Regulations**”), subject to valid Bids being received at or above the Issue Price. Further, 300,000 Equity Shares will be available for allocation on a proportionate basis to Eligible Employees, subject to valid Bids being received from them at or above Issue Price after the Employee Discount, if any. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount (“**ASBA**”) process by providing details of their respective bank account which will be blocked by the Self Certified Syndicate Banks (“**SCSBs**”), to participate in this Issue. For details, see “Issue Procedure” on page 371 of the RHP.

Bidders should note that on the basis of PAN, DP ID and Client ID as provided in the Bid cum Application Form, the Bidder may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder as available on the records of the depositories. These Demographic Details may be used, among other things, for unblocking of ASBA Account or for other correspondence(s) related to the Issue. Bidders are advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders’ sole risk. Bidders should ensure that PAN, DP ID and the Client ID are correctly filled in the Bid cum Application Form. The PAN, DP ID and Client ID provided in the Bid cum Application Form should match with the PAN, DP ID and Client ID available in the depository database, otherwise, the Bid cum Application Form is liable to be rejected.

Contents of the Memorandum of the Company as regards its Objects: For information on the main objects and other objects of the Company, see “**History and Certain Corporate Matters**” on page 162 of the RHP and Clause III of the Memorandum of Association of the Company. The Memorandum of Association of the Company is a material document for inspection in relation to the Issue. For further details, see the section “**Material Contracts and Documents for Inspection**” on page 428 of the RHP.

Liability of the members of the Company: Limited by shares.

Amount of share capital of the Company and Capital structure: The authorised, issued, subscribed and paid up share capital of the Company as on the date of the RHP is as follows: The authorised capital of the Company is ₹ 1,000,000,000 divided into 100,000,000 Equity Shares of ₹ 10 each. The issued, subscribed and paid-up share capital of the Company is ₹ 704,158,870 divided into 70,415,887 Equity Shares of ₹ 10 each. For details, see the section “Capital Structure” beginning on page 77 of the RHP.

Names of signatories to the Memorandum of Association of the Company and the number of Equity Shares subscribed by them: Given below are the names of the signatories of the Memorandum of Association of the Company and the number of Equity Shares subscribed for by them at the time of signing of the Memorandum of Association: Devendra Shah - 10 Equity Shares, Pritam Shah - 10 Equity Shares and Parag Shah - 10 Equity Shares aggregating to 30 Equity Shares, which were allotted as part of the allotment on December 29, 1992.

Listing : The Equity Shares offered through the RHP are proposed to be listed on the BSE and the NSE. We have received the ‘in-principle’ approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to the letters dated October 16, 2015 and October 14, 2015, respectively. For the purposes of the Issue, the Designated Stock Exchange shall be BSE. A copy of the RHP has been delivered to the RoC and a copy of the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents available for inspection from the date of the RHP up to the Bid/Issue Closing Date, see “Material Contracts and Documents for Inspection” on page 428 of the RHP.

Disclaimer Clause of SEBI: SEBI only gives its observations on the offer documents and this does not constitute approval of either the Issue or the specified securities or the offer document. The investors are advised to refer to page 346 of the RHP for the full text of the Disclaimer Clause of SEBI.

Disclaimer Clause of BSE (The Designated Stock Exchange): It is to be distinctly understood that the permission given by BSE should not in any way be deemed or construed that the RHP has been cleared or approved by BSE nor does it certify the correctness or completeness of any of the contents of the RHP. The investors are advised to refer to page 355 of the RHP for the full text of the Disclaimer Clause of the BSE.

Disclaimer Clause of NSE: It is to be distinctly understood that the permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE nor does it certify the correctness or completeness of any of the contents of the offer document. The investors are advised to refer to page 356 of the RHP for the full text of the Disclaimer Clause of NSE.

GENERAL RISKS: Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Bidders are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue, including the risks involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the RHP. Specific attention of the investors is invited to the section “Risk Factors” on page 16 of the RHP.

BOOK RUNNING LEAD MANAGERS				REGISTRAR TO THE ISSUE	Company Secretary and Compliance Officer
 Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: (91 22) 4336 0000 Fax: (9122) 6713 2447 E-mail: parag.ipa@kotak.com Investor Grievance ID: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	 JM Financial Institutional Securities Limited* 7th Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai 400 025 Tel: (91 22) 6630 3030 Fax: (91 22) 6630 3330 E-mail: parag.ipa@jmfml.com Investor Grievance E-mail: grievance.ibd@jmfml.com Website: www.jmfml.com Contact Person: Lakshmi Lakshmanan SEBI Registration No.: INM000010361	 IDFC Securities Limited** Naman Chambers, C-32 G Block, Bandra Kurla Complex Bandra (East), Mumbai 400 051 Tel: (91 22) 6622 2600 Fax: (91 22) 6622 2501 Email: parag.ipa@idfc.com Investor Grievance Email: investor grievance@idfc.com Website: www.idfcapital.com Contact Person: Akshay Bhandari SEBI Registration No.: MB/INM000011336	 Motilal Oswal Investment Advisors Private Limited** Motilal Oswal Tower, Rahimtullah Sayani Road, opposite Parel ST Bus Depot, Prabhadevi, Mumbai - 400 025 Tel: (91 22) 3980 4380 Fax: (91 22) 3980 4315 E-mail: parag.ipa@motilaloswal.com Investor Grievance ID: moiapiredressal@motilaloswal.com Website: www.motilaloswalgroup.com Contact Person: Subodh Mallhya SEBI Registration No.: INM000011005	 Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032 Tel : (91 40) 6716 2222; Fax: (91 40) 2343 1551; Email: einward.ris@karvy.com Investor grievance E-mail: parag.ipa@karvy.com Website: https://karisma.karvy.com Contact Person: M. Murali Krishna; SEBI Registration No.: INR000000221	Rachana Sangneria 20th Floor, Nirmal Building, Nariman Point Mumbai 400 021 Tel: (91 22) 4300 5555, Fax: (91 22) 4300 5580 Email: cs@paragmilkfoods.com Website: www.paragmilkfoods.com Bidders may contact any of the BRLMs who have submitted the due diligence certificate to SEBI for any complaints, information or clarifications pertaining to the Issue. Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems, such as non-receipt of letter of allotment, non-credit of Allotted Equity Shares in the respective beneficiary account or non-receipt of refund intimations and non-receipt of funds by electronic mode.

* Formerly, JM Financial Institutional Securities Private Limited

** In compliance with the proviso to Regulation 21A(1) of the SEBI (Merchant Bankers) Regulations, 1992, read with proviso to Regulation 5(3) of the SEBI Regulations, IDFC Securities Limited and Motilal Oswal Investment Advisors Private Limited will be involved only in marketing of the Issue.

AVAILABILITY OF RHP: Investors are advised to refer to the RHP, and the Risk Factors, beginning on page 16 therein, before applying in the Issue. Full copy of the RHP is available at www.sebi.gov.in, the websites of the BRLMs to the Issue at www.investmentbank.kotak.com, www.jmfml.com, www.idfcapital.com and www.motilaloswalgroup.com, and websites of BSE and NSE i.e. www.bseindia.com and www.nseindia.com, respectively.

AVAILABILITY OF BID CUM APPLICATION FORMS: Bid-cum-Application Forms can be obtained from the Registered Office of **PARAG MILK FOODS LIMITED**, BRLMs: **Kotak Mahindra Capital Company Limited**, Tel: (91 22) 4336 0000, Fax: (9122) 6713 2447; **JM Financial Institutional Securities Limited**, Tel: (91 22) 6630 3030, Fax: (91 22) 6630 3330; **IDFC Securities Limited**, Tel: (91 22) 6622 2600, Fax: (91 22) 6622 2501 and **Motilal Oswal Investment Advisors Private Limited**, Tel: (91 22) 3980 4380, Fax: (91 22) 3980 4315; Syndicate Member: **Kotak Securities Limited**, Tel: +91 22 6740 9708, Fax: +91 22 6661 7041; **JM Financial Services Limited**, Tel: +91 22-6136 3400, Fax: +91 22-22665902; **Sharekhan Limited**, Tel: +91 22 6115 0000, Fax: +91 22 6748 1891 and **Motilal Oswal Securities Limited**, Tel: +91 22 3027 8129/8100, Fax: +91 22 3980 4315 and at the select locations of the Sub-Syndicate Members, Registered Brokers, RTAs and CDPs participating in the Issue. Bid-cum-Application Forms will also be available on the websites of BSE, NSE and the Designated Branches of SCSBs, the list of which is available at websites of the Stock Exchanges and SEBI.

APPLICATIONS SUPPORTED BY BLOCKED AMOUNT (ASBA): Investors have to apply through the ASBA process. ASBA has to be availed by all the investors except anchor investors. For details on the ASBA process, please refer to the details given in ASBA Form and Abridged Prospectus and also please refer to the section “Issue Procedure” beginning on page 371 of the RHP. ASBA Forms can also be downloaded from the websites of BSE and NSE. ASBA form can be obtained from the list of banks that is available on the website of SEBI at www.sebi.gov.in. ASBA Form can be obtained from Syndicate, SCSBs, Registered Brokers, RTAs and CDPs, the list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries.

Banker to the Issue, Escrow Collection Bank and Refund Bank: Axis Bank Limited

Public Issue Bank: Axis Bank Limited

All capitalised terms used herein and not specifically defined shall have the same meaning as ascribed to them in the RHP.

Place : Pune
Date : May 06, 2016

Parag Milk Foods Limited is proposing, subject to receipt of requisite approvals, market conditions and other considerations, to make an initial public offer of its Equity Shares and has filed the RHP with the RoC, on April 22, 2016. The RHP is available on the websites of SEBI and Stock Exchanges at www.sebi.gov.in, www.bseindia.com and www.nseindia.com, respectively, and is also available on the websites of the BRLMs at www.investmentbank.kotak.com, www.jmfml.com, www.idfcapital.com and www.motilaloswalgroup.com. Potential investors should note that investment in equity shares involves a high degree of risk and for details relating to the same, see “Risk Factors” beginning on page 16 of the RHP. Potential investors should not rely on the DRHP filed with the SEBI for making any investment decision.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) and may not be offered or sold within the United States (as defined in Regulation S of the U.S. Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to “qualified institutional buyers” (as defined in Rule 144A (“Rule 144A”) under the U.S. Securities Act), pursuant to the private placement exemption set out in Section 4(a)(2) of the U.S. Securities Act.

For **PARAG MILK FOODS LIMITED**
On behalf of the Board of Directors

Sd/-
Company Secretary and Compliance Officer