

#### September 5, 2025

Compliance Department,	Compliance Department,
BSE Limited	National Stock Exchange of India Ltd.
Phiroze Jeejeebhoy Tower,	Exchange Plaza, Plot No. C/1, G-Block,
Dalal Street, Fort,	Bandra Kurla Complex
Mumbai - 400 001	Bandra - (E), Mumbai - 400 051
Scrip Code:- 539889	NSE Symbol:- PARAGMILK

Dear Sir / Madam,

Ref: Disclosure under Regulation 30(2) and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Intimation of 33rd Annual General Meeting and Integrated Annual Report for FY 2024-25

This is to inform you that the 33<sup>rd</sup> Annual General Meeting (AGM) of Members of the Company will be held on **Monday, September 29, 2025 at 4.30 p.m. (IST)** through Video Conferencing / Other Audio-Visual Means (VC / OAVM), in accordance with the relevant circulars issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), *inter-alia*, to transact the businesses stated in the Notice convening the said AGM.

Pursuant to Regulations 30(2) and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of the 33<sup>rd</sup> AGM and the Integrated Annual Report for Financial Year 2024-25 (Integrated Annual Report) for your information and records. In compliance with relevant circulars issued by MCA and SEBI, the Notice of the AGM along with the Integrated Annual Report are sent only by email to those Members whose e-mail IDs are registered with Depositories. Further, in compliance with Regulation 36(1)(b) of the SEBI Listing Regulations, a letter is being sent to Members whose e-mail IDs are not registered with the Depositories, providing the weblink, path and QR code from where the Integrated Annual Report and Notice of the 33<sup>rd</sup> AGM can be accessed.

The Notice of the 33<sup>rd</sup> AGM and the Integrated Annual Report are also available on the website of the Company at <a href="https://www.paragmilkfoods.com">www.paragmilkfoods.com</a>.

Pursuant to section 108 of the Companies Act, 2013 read with relevant rules and regulation of 42 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has fixed **Monday, September 22, 2025 as the cut-off date and record date**, *inter-alia*, for determining the eligibility of the Members to cast their vote through remote e-Voting or through e-Voting during the 33<sup>rd</sup> AGM and for entitlement of dividend for financial year ended March 31, 2025.











The Notice of the AGM of the Company, amongst other things, indicates the process and manner of remote e-Voting / e-Voting at the AGM and instructions for participation at the AGM through VC/OAVM.

Request you to kindly take the same on records.

Thanking you.

For Parag Milk Foods Limited

Virendra Varma
Company Secretary &
Compliance Officer
FCS No. 10520

Encl: As above.



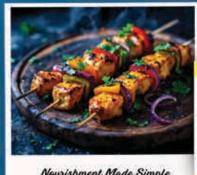
Parag Milk Foods Ltd. Integrated Annual Report 24-25





# ROOTED







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Forward-looking statement: In this Integrated Annual Report we may have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipal results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates expects', 'projects', 'intends', 'plans', 'believes', 'likely' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as result of new information or otherwise

#### **Preface**

At Parag, our journey has always been inspired by a simple belief to deliver health, happiness and nutrition by combining India's rich dairy heritage with modern innovation. For over three decades, we have remained committed to offering products that are pure, authentic, and trusted, while continuously evolving to meet the changing aspirations of today's consumers.

'Rooted in Tradition, Leading with Nutrition' is more than just a theme it is our philosophy. It signifies our ability to honor our heritage while driving transformation, leveraging technology and setting new benchmarks in the dairy and nutrition industry.

As we move forward, we remain dedicated to enriching lives, building stronger communities and empowering consumers with products that nourish the body and delight the soul. Guided by our integrated model, strong brand portfolio and relentless focus on innovation, Parag Milk Foods continues its journey to shape the future of dairy and nutrition in India.





# At Parag, we are building our business focused on creating stakeholder value.

# **Mission**

#### **Our Consumers**

They should be able to trust our brands. This is why food quality is a fundamental requirement for Parag. We make every effort to ensure that our processes are safe and that high quality standards are maintained throughout the supply chain.

#### **Dairy Innovation**

An ongoing focus on dairy innovation enables us to produce an array of products that make milk moments nutritious, healthy and enjoyable;

we market them under a targeted portfolio of brands.

#### Partnership with dairy farmers

We are working with dairy farmers to enrich their lives and set new standards for sustainable dairy production. We seek to use our resources in a sustainable manner. By having a long-term environmental strategy, we can help make this happen.

#### **Good Citizenship**

We want to influence the development of society and set

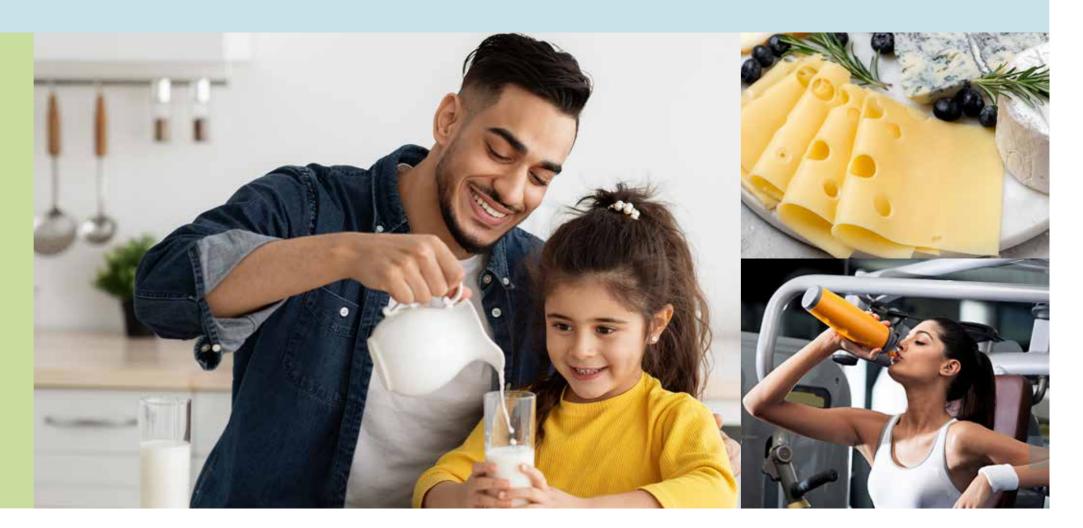
an example through our best practices. To make quality milk and world class dairy products accessible to the masses. As a large private sector dairy player, we have the opportunity to do so.

# Building long-term relationship with local communities

We strive to uphold respectful and constructive community relations and contribute to the development of communities by building long-term relationships with people, businesses and organizations.

# **Vision**

Sustainability forms an integral part of our value chain and we strive to create long-term value for all our stakeholders. Our vision is to be a leading technology-driven FMCG dairy company that empowers all our stakeholders and relentlessly launches innovative, healthy and sustainable products for various consumer strata.



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# Where we **come from**

Founded in 1992, Parag Milk Foods Ltd. is one of India's leading private-sector dairy FMCG companies with a presence across 15+ consumer-focused categories. Born out of a commitment to support farmers during milk surplus periods, Parag was established by our Chairman, Mr. Devendra Shah, during the post-White Revolution era.

We specialize in delivering high-quality dairy nutrition through a fully integrated supply chain and advanced infrastructure including a modern cheese and whey plant, ghee unit, UHT milk facility and a globally benchmarked dairy farm.

Our portfolio, made from 100% fresh cow's milk, includes fresh milk, ghee, paneer, milk powders, butter, cheese, dahi, dairy whitener, yogurt, ready-to-eat sweets, whey protein and dessert mixes. These are marketed under renowned brands such as Gowardhan, Go, Pride of Cows and Avvatar.

#### Manufacturing facilities

8 | Parag Milk Foods Limited

Parag's production units are located in major milk producing regions – Manchar (Maharashtra), Palamaner (Andhra Pradesh) besides four filling locations namely Vashi, Vasai, Surat and Nagpur. We also own the Bhagyalakshmi dairy farms.

# Board of **Directors**

As of 31st March, 2025, our Board of Directors comprised eight Directors, out of which four were Independent Directors, including one woman Independent Director. The Board comprised five statutory committees. Under the Directors' leadership, Parag Milk Foods achieved significant revenue growth and expanded its market presence through strategic investments in technology, procurement and distribution.

The Board of Directors of Parag Milk Foods reflects a dynamic blend of strategic leadership, industry expertize and visionary thinking. Comprising seasoned professionals from diverse sectors such as

FMCG, global beverage, finance and law, the Board brings a wealth of experience and insight to the Company. It includes individuals with decades of leadership in global corporations, expertize in legal and regulatory frameworks and a deep understanding of financial markets and consumer behaviour. The Board also benefits from strong entrepreneurial leadership and operational excellence, ensuring a balanced approach to governance. Together, this collective expertize supports a forward-thinking model aimed at driving innovation. enhancing performance and sustaining long-term growth.

# PARAO

#### Processing capacities

Milk processing

3.4 million litres per day

20 metric tonnes per

day

Cheese and ghee production

**110 metric tonnes** per day each

Whey processing

10 lakh litres per day

#### **Brands**

Parag is a prominent organized dairy FMCG producer whose products are marketed under homegrown flagship brands like Gowardhan, Go, Pride of Cows and Avvatar. These brands enjoy a recall for superior quality, taste, purity and freshness.



**Gowardhan:** Everyday dairy essentials including ghee, paneer, curd and fresh milk associated with traditional lifestyle.





**Go:** A wide range of processed and natural cheese products, UHT milk and dairy-based beverages associated with modern lifestyle.





Pride of Cows: A premium, farm-to-home, single-origin brand offering ghee, paneer, low-fat high-protein paneer, curd, Greek yogurt, whole milk, low-fat milk and whole milk powder associated with premium and niche lifestyle.





Avvatar: India's first Made in India whey protein brand, offering fresh, 100% vegetarian whey products like Whey Blend Protein, Isorich Protein, 100% Performance Whey, Alpha Whey, Nitro Iso Whey, Mass Gainer, Muscle Gainer, Creatine and Protein Bar associated with sports nutrition lifestyle.



#### **Market share**

Gowardhan ghee commands 22% of market share in the branded cow ghee segment (#1 position\*)

Go cheese commands 35% of market share in the cheese segment (#2 position\*)

\*Source: IMARC 2024

#### **Talent**

Parag's success is powered by a dedicated and highly skilled workforce, comprising best-in-class professionals with deep industry knowledge, strong academic qualifications and domain expertize across functions such as product innovation, quality control, brand management, financial management and customer engagement. As of 31st March, 2025, the Company employed more than 2.300 individuals.

#### **Credit rating**

India Ratings and Research (Ind-Ra) assigned the Company with a long-term issuer rating of 'IND BBB'. The outlook is Stable.



#### **Awards & recognition**



Women Entrepreneur of the Year: Ms. Akshali Shah (Executive Director, Parag Milk Foods)

FE Brandwagon ACE Award 2023: Gowardhan Ghee for Excellence in Marketing

**Grocery Brand of the Year:** 

Gowardhan (BW Retail Reboot Awards

**Best Use of Traditional Platform:** Gowardhan (BW Retail Reboot Awards 2024)

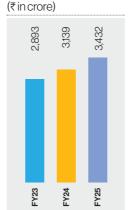
50 Most Influential Women in Advertising, Media & Marketing: Akshali Shah (Impact)

**D2C Company of the Year: Pride** of Cows (BW Retail Reboot Awards 2024)

Fitness & Sports Brand of the Year: Avvatar India (BW Retail Reboot Awards 2024)

# Consistent robust performance, inching up year on year

#### **Consolidated Revenues**



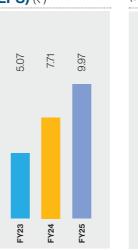
3 yr CAGR growth for revenue 18%

#### Value impact

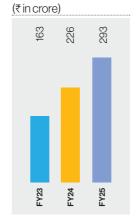
The Company's revenue reflects a consistent upward trend across the medium term, driven by well-executed strategic

FY 2024-25.

#### Earnings per Share (EPS) (₹)



#### **EBITDA**



Note: FY 2021-22 was an exceptional year due to COVID-19, which impacted the

#### Value impact

The Company reported an EBITDA growth of 30% in

**EBITDA** margin

Value impact The Company's EBITDA margin stood at 8.5% in



Profit after Tax (PAT)

#### Value impact

The Company reported an increase in profitability from ₹91 crore in FY 2023-24 to ₹119 Crore in FY 2024-25.

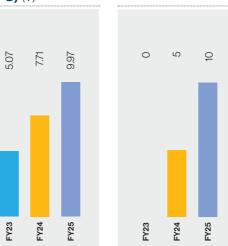
#### **ROCE**



Value impact

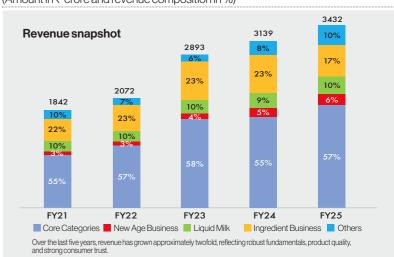
The RoCE for the year FY 2024-25 was 14.3%

### Dividend per share



#### **Driving financial growth**

(Amount in ₹ crore and revenue composition in %)



# What we have achieved over the years

# Build the business with a range of initiatives



Parag Milk Foods was founded by Mr. Devendra Shah and strategically

located in the milk belt of Manchar.



Commissioned a value-added plant at Manchar, beginning the production of ghee and butter under the 'Gowardhan' brand.



Launched Bhagyalakshmi Dairy Farm, India's most advanced farm, equipped

with state-of-the-art technologies.



Established the Palamaner plant, featuring a world-class UHT facility.



single origin dairy brand.



Parag Milk Foods Limited was listed on the stock exchanges.



Entered the consumer market for 100% Whey Protein with the launch of the 'Avvatar' brand.



Received investment from International Finance Corporation (IFC) and Sixth Sense Venture Advisors LLP.



Commissioned Go Cheese World. India's largest cheese manufacturing plant, with a production capacity of 40 metric tonnes per day (now at 60 metric tonnes per day).



Introduced the 'Pride of Cows' brand.



Achieved a significant milestone with consolidated revenue surpassing

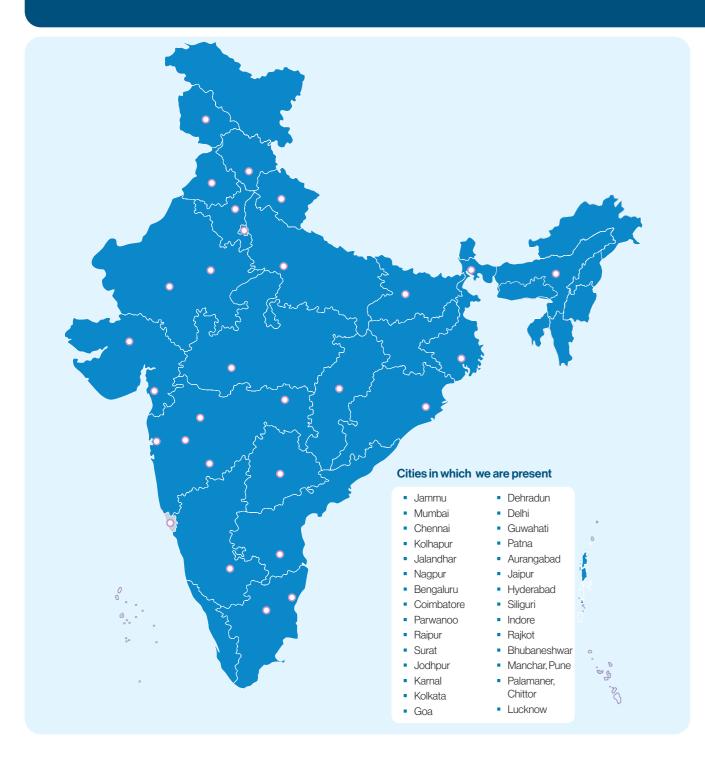
₹3.000 crore mark.



Expanded its portfolio to include new categories such as ready-to-eat Indian sweets, yogurts and protein bars.

# Parag is a pan-India dairy-**FMCG** brand with extensive last-mile reach, delivering quality to millions of consumers.

# Our Business Model



#### The scale and scope of the Company

Farmers supplying the Company with raw milk

At Parag, we never say 'No' to farmers who supplies milk post quality checks - building farmers' trust and stability.

15

Lakh litres, average quantum of milk procurement by the Company every single day

Million litres, the quantum of milk procurement by the Company in FY 2024-25

We have one of the largest state-of-the-art dairy farms

Holstein Friesian cows.

# 300+ **BMC/CCs**

Parag Milk Foods operates a strong network of 300+ bulk milk coolers (BMCs) and collection centres (CCs) across key milk-producing regions. This infrastructure ensures efficient collection, quick chilling and quality preservation at source.

2,400+

Village level Collection Points (VLC)

States from where we procure milk, that comprises of Maharashtra, Andhra Pradesh, Telangana, Tamil Nadu and Karnataka.

4,60,000

Company's products are sold

#### Our products are sold directly to a large number of consumers

We have created a robust distribution network, providing us a pan-India footprint

Depots operated by the Company across India.

4,500+

Distributors of the Company's products

#### Our products are available pan-India

Superstockists who have a strong distribution network drives deep market penetration and widespread availability

Super stockists provide added advantage with last mile distribution

**Farmer** services

Never say no

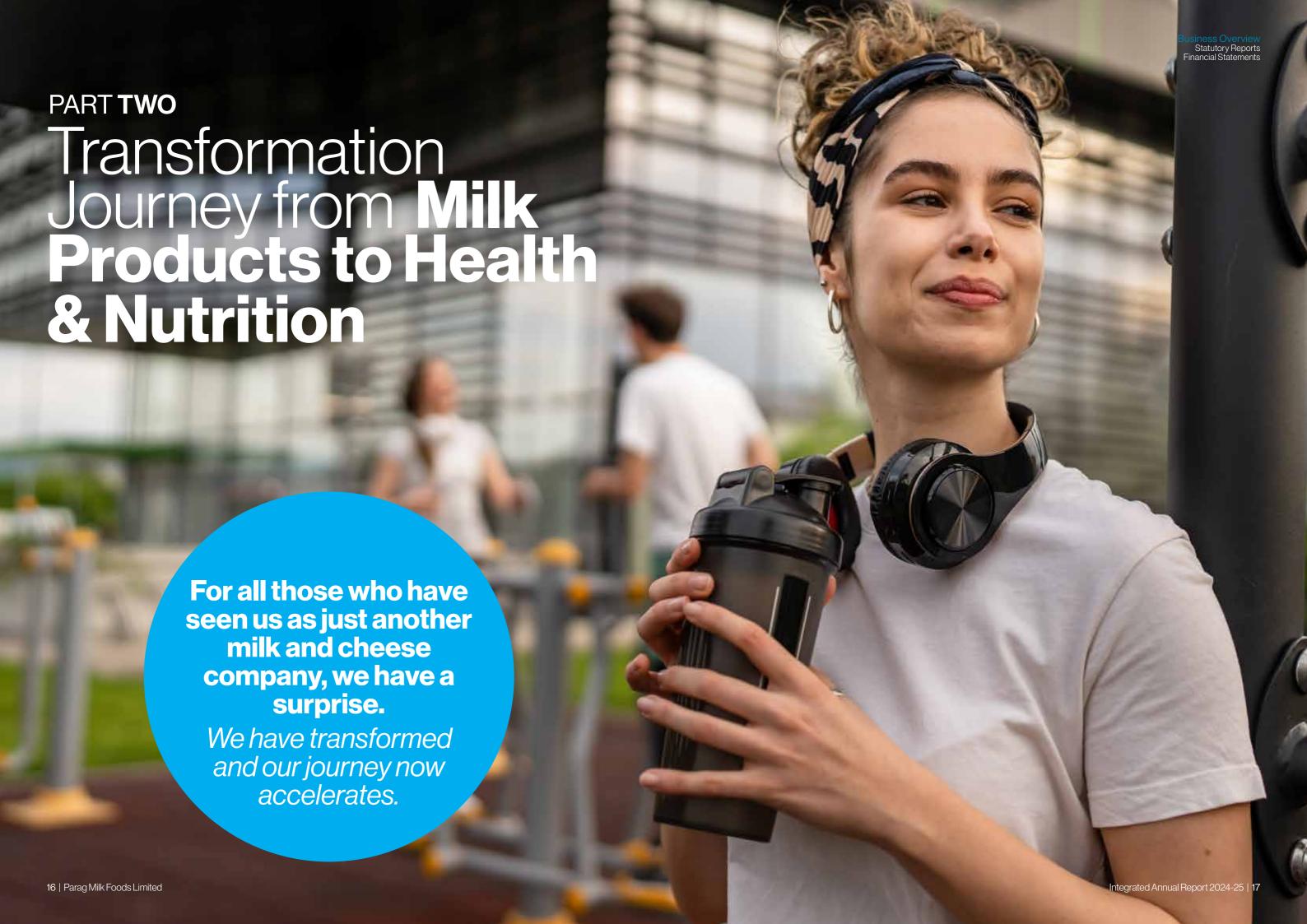
Transparent milk pricing

**Vaccinations** for Cattle

Farmer Workshops on soil and livestock health

for milk

Free





# **Parag Global nutrition provider**



At Parag, we are at inflection point in our existence.



At our company, there are two words likely to play an increasing role.



The words: 'Global' and 'Nutritional'.





The Company was regional in presence at one time: it is now a national brand that is seeking to turn global.



The Company was once a milk provider: it is now a dairy FMCG business that is transforming into a nutritional personality.



We are optimistic that this transformation \ will deepen the Company's competitiveness and enhance stakeholder value in a sustainable way.

# 6 ways in which our repositioning will enhance stakeholder value

The Company is rightly positioned at the right time - when the world is moving towards food hygiene



The Company will leverage a wide value chain - starting from raw milk and ending with value-added niche products



The Company will broad base its portfolio risk across categories, products and brands, strengthening business sustainability



The Company expects to reengineer its Balance Sheet, so that a disproportionate share of its prospective growth can be driven through net worth



In FY 2024-25, Parag Milk Foods Limited delivered strong performance with revenues of ₹3,432 crore, up 9.4% YoY. Profit after tax grew 31% to ₹119 crore, with margins improving to 3.5% from 2.9%. EBITDA rose 32% to ₹293 crore, while operating cash flows reached ₹212 crore, reflecting disciplined execution.



Gowardhan Ghee (22% share) and Go Cheese (35% share) maintained category dominance. With a sharper focus on premiumization, innovation and distribution expansion across modern trade, quick commerce and e-commerce, the Company reinforced its position as a leading dairy and value-added products player.

Revenues ₹3,432 crore (+9%YoY value growth, 10% YoY volume growth)

EBITDA ₹293 crore (+30% YoY)

PAT ₹119 crore (+31% YoY)

Operating cash flows ₹212 crore

Net margin Improved to 3.5% from **2.9%** 



#### Chairman's message

# We are a dairy FMCG organization that is not only future-ready, but future-defining as well.



the international markets while continuing to lead in India.

partnerships to strengthen our position in

#### As we look ahead, we remain committed to:



Innovating for the future with world-class products and



**Empowering consumers** with healthier choices



Sustainably scaling our **business** while caring for our farmers, animals and the environment



Expanding our global footprint to make Parag Milk Foods synonymous with quality nutrition worldwide

### Dear Shareholders

#### IT GIVES ME PRIDE TO SHARE **OUR JOURNEY AND VISION AS WE CONTINUE TO BUILD PARAG MILK FOODS INTO A GLOBAL LEADER IN NUTRITION AND DAIRY INNOVATION.**

When we began this journey more than three decades ago, our dream was simple yet ambitious: to deliver the best of nutrition to every household while upholding the values of quality, trust and innovation. Over the years, we have evolved from a traditional dairy company into a future-ready nutrition powerhouse catering to evolving consumer lifestyles across India and beyond.

The world is changing rapidly. Today's consumers are far more aware, informed and health-conscious. They seek clean, safe and functional nutrition products that not only taste good but also promote overall well-being. At Parag Milk Foods, we see this as an opportunity to redefine the future of dairy and nutrition, backed by our state-ofthe-art manufacturing facilities, advanced technology and a focus on research and innovation.

Our portfolio today extends beyond dairy. Gowardhan and Go to Pride of Cows, our single-origin, farm-to-home brand and Avvatar Sports Nutrition have helped position ourselves across multiple consumer seaments of fresh. pure. valueadded and nutrition. Through continuous innovation and a deep understanding of consumer needs, Parag Milk Foods is setting new benchmarks in delivering trusted nutrition solutions and shaping healthier lifestyles, bridging the gap between traditional dairy and modern nutrition.

This is only the beginning. Our vision is to transform Parag Milk Foods into a global nutrition provider, bringing science-backed, innovative and high-quality solutions to consumers across geographies. We are investing extensively in R&D, sustainability, digital transformation and global

At the heart of our journey lies a simple belief: Nutrition is not just about food; it is about creating a healthier, happier and

stronger world. At Parag Milk Foods, we are determined to play a leading role in this transformation.

I extend my gratitude to our farmers, customers, shareholders, employees and partners who continue to support us in this journey. Together, we are not just building a company; we are shaping a global nutrition brand from India for the world.

The future belongs to those who innovate, adapt and lead with purpose. At Parag Milk Foods, we are ready to embrace that future.

Warm regards,

Devendra Shah

Devendra Shah Chairman

Managing Director's perspective

# We are poised to lead India's dairy transformation with purpose and performance.



#### Dear Shareholders,

It gives me pleasure to present to you the performance highlights of Parag Milk Foods Limited for FY 2024-25. This year marked a milestone in our journey, driven by recordbreaking growth, operational excellence and consumer-led innovation.

#### **Financial performance**

FY 2024-25 was a year of exceptional achievements, underscoring our resilience in the face of fluctuating input costs and evolving market dynamics.

Highest-ever annual revenue: ₹3,432 crore, supported by a 10% volume growth and 9% value growth.

**EBITDA:** ₹293 crore, up 30% YoY, with margins improving to 8.5% from 7.2% last

Profit After Tax (PAT): ₹119 crore, a 31% increase YoY.

Cash flow from operations: ₹212 crore for the year

This performance reflects the strength of our brands, operational discipline and consumer trust.

#### **Category highlights**

#### **Gowardhan Ghee**

 This brand maintained its leadership position with a 22% market share in the branded cow ghee segment.

#### Go Cheese

 This brand retained its #2 position in India's branded cheese market with a 35% market share.

#### **Avvatar Whey Protein**

 This brand grew 6x over three years from FY 2021-22, strengthening its position as India's fastest-growing homegrown whey brand.

#### **Pride of Cows**

 This brand expanded its farm-fresh, single-origin milk and premium offerings through quick-commerce and direct-toconsumer platforms, catering to India's growing demand for traceable, quality dairy.

#### **Innovation & product launches**

In FY 2024-25, we continued our journey of consumer-centric innovation, launching new products across categories to meet evolving health and indulgence trends:

#### Gowardhan Ghee forward Integration:

The Company introduced sesame and groundnut chikki, leveraging our core ingredient.

Go Brand: The Company launched flavoured vogurts for the growing functional food segment.

Pride of Cows: The Company added Greek yogurt with 8g protein and real fruits as well as high protein low fat paneer to our premium dairy portfolio.

Avvatar: The Company added performance whey for everyday life, entered the protein snacking segment with Avvatar Whey Protein Bars in chocolate and coffee variants. Expanded the product portfolio with the launch of Avvatar Creatine. strengthening the brand's commitment to providing science-backed, performancedriven nutrition.

#### Sustainability & community development

Our responsibility towards the environment and communities remained integral to our growth strategy.

Renewable energy adoption: We increased the utilization of biogas, solar power and energy-efficient systems across

facilities. We invested in a biogas plant, solar installations and a 10-crore-litre rainwater harvesting facility.

Digital milk procurement: We enhanced traceability and quality monitoring from farmers to factory, ensuring food safety and transparency.

Farmer empowerment: We supported farmer households with veterinary care, training and productivity-linked incentives.

Philanthropic activities: We focused on education, nutrition and rural development, reinforcing a commitment to inclusive growth.

#### Operational excellence & governance

FY 2024-25 marked a pivotal step in transforming Parag Milk Foods into a professionally managed, future-ready organization.

We optimized plant utilization and strengthened supply chain agility to improve fill rates and cold chain infrastructure.

We adopted process automation and data-driven analytics, resulting in a higher efficiency and reduced wastage.

We strengthened our governance and leadership by transitioning to a professional management structure while retaining our founder-led vision.

#### Conclusion

FY 2024-25 was a transformational year for Parag Milk Foods, marked by record revenues, robust profitability, innovative launches and sustainable practices. None of this would have been possible without the dedication of our employees, the support of our farmer partners, the trust of our consumers and the confidence of our shareholders.

We look forward to continuing this journey of excellence, staying true to our mission of nourishing lives, empowering communities and delivering consistent value.

Warm regards.

Pritar~ Shah Pritam Shah Managing Director



# Governance at Parag: Living the philosophy

#### Overview

At Parag, we recognize the critical relevance of governance in our business.

An increasing number of stakeholders are now asking how we intend to grow our business. This insight provides them with a perspective of how dependable we are and how responsible our growth approach is.

This perspective is relevant in an increasingly volatile world that places a premium on strategic clarity, tactical depth and organizational dependability.

At Parag, our approach to governance is encapsulated in a priority: doing the right things over doing things right. This indicates a strategic priority on organizational integrity over operational efficiency. This underlines our conviction that ethical uprightness represents the chassis of organizational discipline which inevitably leads to sustainable success. This underlines our vision: not necessarily to be the largest in our space but to be recognized as one of the best.

**Board of Directors:** At Parag, the success of our strategic direction is influenced by our Board of Directors. We place a premium on Board composition, comprising achievers of standing. These individuals have enriched our values, bandwidth, business understanding and strategic direction. The Board comprises a good proportion of Independent Directors, who can speak their mind and influence the Board.



# At Parag, we continuously thrive to enhance value and up-keep consumer needs and aspirations

#### **Overview**

At Parag, we see a sweeping change in the lives and preferences of consumers.

This indicates that a conventional approach will not work; the Company is responding with an evolved strategy

addressing the transforming realities of the day and future expectations as well.

The Company's response is influenced by prominent and enduring consumption changes influencing the offtake of dairy products and encouraging the development of new variants. The Indian dairy industry has moved from a commodity-based rural and regional activity to a modern, tech-enabled, value-driven health and nutrition products. Some of the most prominent trends that we see growing larger and for which the Company has prepared, comprise the following:

**Experimentation:** A spirit of experimenting with the launch of new dairy products has helped it graduate beyond the conventional towards the modern value-added products.

Health: The Indian dairy sector is driven by consumers who are next generation. The Company has consistently focused on enhancing the youthfulness of its offerings and brand positioning. This is particularly reflected in the launch of protein-centric products addressing the fitness sector. Milk is now branded as a wellness drink offering protein, immunity and gut health benefits.

Packaged brands: The consumer shift is moving towards organized branded products due to adulteration. The Company's brands provide the assurance of superior product quality and price-value proposition.

Food hygiene: The global dairy sector is addressing growing priorities related to food hygiene. The Company strengthened its processes that addressed demanding quality certifications. Besides, the Company invested extensively in process automation to provide healthy and nutritious products across the globe.

**Technology:** Parag has revolutionized dairy logistics through its widespread cold chain infrastructure, strategically located milk collection centers with chilling units and GPS-tracked transport systems. The adoption of automated milking machines, milk quality analyzers, technology-powered cattle health monitoring and empowered farmers with various programmes, resulting in improved yield and quality. With an increasingly digitized milk procurement process, the Company ensures complete transparency and fair remuneration for farmers.

Direct-to-consumer: New age companies are disrupting traditional supply chains by delivering fresh milk directly to consumers via apps, website and subscriptions. The Company is deepening its digital investment to reach consumers directly.

Ethical sourcing: As a responsible dairy FMCG company, Parag champions ethical sourcing by empowering farmers, promoting sustainable farming practices and maintaining complete transparency across its value chain.

Animal breeding advances: There has been a greater focus on enhancing cattle health, improving veterinary care, adopting advanced practices like artificial insemination, and ensuring balanced nutrition to boost productivity. The Company is actively engaged with

farmers and conducts regular workshops to spread awareness on improving yield per cow through advanced productivity practices and sustainable dairy farming methods.



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# At Parag, we are capitalizing on a growing opportunity in the Indian dairy sector

#### **Overview**

India is one of the largest milk producers and consumers in the world.

Indian dairy is an important component of Indian GDP and plays a vital role in rural livelihoods.

This divergence highlights the rationale for our enduring investment in the dairy industry.

The Company aspires to emerge as an Indian dairy multinational by catering to

the preference of the Indian (resident and expatriate) population.

The Company aspires to emerge as a global nutrition provider, creating the basis for sustainable long-term growth.



# Our Integrated Value Creation approach

#### Overview

There is a growing need for an integrated value creation approach that not only meets emerging disclosure standards but also addresses stakeholder demands for insights into business model resilience. Integrated reporting fosters integrated thinking by

highlighting the interconnectedness of purpose, business model, risks, opportunities and non-financial considerations.

The focus on all the capitals for business helps enhancing capital allocation leading to superior long-term investment returns. The integrated reporting

framework reconciles sustainability reporting with financial reporting; it enhances a perspective of how the Company is equipped to address sustainability across the short, medium and long term across all stakeholders (employees, farmers, customers, suppliers, business partners, local communities, legislators and regulators).



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# Our platform for long-term sustainability



# focus

- The Company established India's one-of-its-kind modern dairy farm
- The Company leveraged its existing production capabilities to efficiently cater to the rising demand across categories such as Ghee, Whey, Paneer and other dairy products.
- It diversified the portfolio with fresh and value-added dairy offerings



#### Resource accessibility



# Capacity

development



**Manufacturing** excellence



**Financial** resilience

- The Company maintained the flexibility to source milk from lakhs of farmers without compromising quality
- The Company endeavoured to widen its resource aggregation network
- The Company's milk mobilization extended across Maharashtra Andhra Pradesh, Telangana, Tamil Nadu and Karnataka
- The Company built a strategic presence across three plants
- The Company continued to modernize its milk processing units
- The Company prioritized maximum production output and productivity
- It installed bulk coolers and automated collection processes for efficiency
- It leveraged technology for enhanced operations and product innovation
- It invested in continued efforts to improve and maintain robust working capital management across varying market conditions
- It demonstrated a robust financial performance in FY 2024-25. Cashflow from operations grew to ₹212 crore. Gross Margin improved to 26% and EBITDA rose to ₹293 crore (8.5% of



#### **Brand** investments



expansion



#### **Environmental** responsibility



#### **Talent** development



Community engagement

- The Company enjoyed increased brand awareness
- There was a higher consumer engagement that strengthened brand loyalty
- There was improved product penetration across target segments
- The Company marketed milk and milk products domestically and internationally
- The Company began to market Pride of Cows in Bengaluru, Vadodara, Ahmedabad, NCR, Noida and Greater Noida including of previously cities like Mumbai, Delhi, Pune and Surat
- The Company approved the incorporation of foreign wholly owned subsidiary Parag Foods Middle East FZE, in Dubai to increase product distribution to new markets, diversify the customer base and seamless by strengthen the global supply chain operations worldwide
- The Company invested in advanced technologies to enhance water and energy efficiency
- The Company invested in renewable energy infrastructure (solar and biogas)
- The Company implemented zero waste practices to minimize environmental impact
- Bhagyalakshmi Dairy Farm was structured around three 'RRR' principles - Reduce, Recycle, Reuse
- The Company deepened the role of CXOs and Business Heads as a part of its management.
- The Company nurtured leaders at every level
- The Company strengthened facilitating systems and processes
- The Company strengthened teams with subject matter experts
- The Company deepened its engagement in community welfare programs.

- It integrated sustainable practices (water conservation, renewable energy and eco-friendly
- classes. We worked for women empowerment, women health welfare and created shelter for abandoned cattle at Panjarpole village.

Medical camp, milk distribution for hearing impaired children, raincoat distribution to police authorities, food distribution to Zilla Parishad schools.

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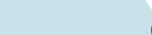
# Input output model for FY 2024-25

#### Inputs



#### **Financial Capital**

- Total revenue: ₹3432 crore
- Capital expenditure: ₹148 crore





Prudent financial management

Working capital optimization

Efficient cost structure



#### **Outcomes**



#### **Financial Capital**

- **EBITDA**: ₹293 crore
- Gross margin: 26%
- **EPS:**₹9.97

- **RoCE:** 14.3%
- **RoNW:** 12.3%
- Operating Cash Flow: ₹212 crore

#### **SDGs Impacted**



#### **Manufactured Capital**

- Manufacturing units: 3
- Milk processing capacity: 34 LLPD
- Bulk milk coolers installed: 300+
- Automated collection centres: 2400+



- Strategic plant location and expansion
- Modernization and automation
- Enhanced milk procurement and processing efficiency

Debt moderation and enhanced capital efficiency

#### **Manufactured Capital**

- Milk procurement: 15 LLPD
- The Company leveraged its existing production capabilities to efficiently cater to the rising demand across categories
- Output productivity increased to serve increased scale of business.



#### **Intellectual Capital**

- **Proprietary** brands, patents and recipes
- **Strong IP** governance (NDAs, contracts and controls)
- Automated dairy infrastructure (BDFPL)
- **R&D** in feed, cattle management and product innovation
- **Regulatory** intelligence (FSSAI and industry forums)
- Bioscience Division: feed science and circular practices

- Cost optimization and operational excellence
- Proprietary product and process knowledge
- Innovation-driven culture

#### Intellectual Capital

Number of trademarks registered: 150+

Milk yield: ~54 L/cow/day vs. national average. 12-13 L (≈4× higher).

Scale: >5,000 cows; >5 lakh farmers engaged.

**Processing:** ~1.5 million L/day milk handling

Reach: >1,00,000 households served via farm-to-home deliveries in seven cities.

Sustainability: 600 m³/day biogas generation (captive use); dairy waste converted into organic manure improving farmer crop yields and soil health.



#### **Human Capital**

- 2,300+ employees
- Training: 3742 person-hours
- **Employee benefits:** ₹150 crore
- Professionals with domain expertize and technical qualifications



- Talent retention & upskilling
- Internal career growth programs
- Emphasis on employee well-being and continuous learning

#### **Human Capital**

- Employees with >5 yrs tenure: 800+
- **<45** yrs age profile: 57%
- Training conducted: 3742 person-hours
- People retention rate: 83%





#### Social & Relationship Capital

- Milk sourced from 5,00,000+ farmers
- **Distributor:** 4500
- Retail touchpoints network: 4.6 lakhs
- Community programmes run across villages/towns



- Strong farmer engagement
- Consumer grievance redressal
- CSR initiatives in education, women's health and animal welfare

#### Social & Relationship Capital

- Consumer complaints resolved:
- New Pride of Cows markets: Bengaluru, Ahmedabad, Vadodara, NCR
- **Dubai WOS** incorporated for global







- Renewable energy units: Solar panels and biogas plants
- Water consumed: 3.61,617 KL

- Waste reduction and recycling
- Water and energy efficiency
- Responsible sourcing and climate-smart infrastructure

#### Natural Capital

- Recycled water: 55% of use
- Energy consumed: 1,47,14,45,776 Mega Joules
- Environmental impact minimized through Bhagyalakshmi Dairy farms 'Reduce, Reuse, Recycle' model
- **Dubai** WOS incorporated for global expansion



# Financial Capital



#### Overview

Financial Capital facilitates long-term growth and sustainability of all other Capitals.

At Parag, we recognize the role of Financial Capital in ensuring business continuity and empowering investments across our value chain. This involves prudent management of cash flows, receivables, inventory, net worth and asset utilization, among other factors.

The Company focuses on financial discipline: not merely through the lens of revenue growth, but through the lens of operational cum capital efficiency for improved cash flow from operations. This focus ensures that our financial practices are aligned with sustainable value creation.

Our strategy emphasizes profitable growth, where profit growth outpaces revenue growth, validating the efficiency of our model.

Big picture: The big picture message is that Parag balanced its business momentum for the moment and invested in futuristic initiatives. The Company engaged in prudent capital allocation leading to long-term value creation. In FY 2024-25, the Company generated ₹212 crore of operating cash flow. The operating cash flow was deployed in self - sustaining capital expenditure.

**Profitable growth:** The strong market acceptance of Parag's value-added dairy products, coupled with effective fiscal management. This was facilitated by an increased proportion of revenues from highmargin, branded and value-added products.

#### Profitable growth

Year	FY23	FY24	FY25
Revenue growth (%)	40	9	9
Gross margin as % of Sales	20	24	26
EBITDA (%)	5.7	7.2	8.5
PAT (%)	1.8	2.9	3.5
Cash flow from Operations (crore)	-190	102	212
Net Worth (crore)	808	912	1,023

The Company ensured prudent financial management practices and leverage our business model to strengthen balance sheet position and sustain business growth.

**EBITDA** 

₹293 crore

in FY 2024-25 (₹226 crore in FY 2023-24)

Earnings per share

₹9.97

in FY 2024-25 (₹7.71 in FY 2023-24)

ROCE

14.30%

in FY 2024-25 (11.10% in FY 2023-24)

**RoNW** 

12.30%

in FY 2024-25 (10.5% in FY 2023-24)

Cash flow from operations

₹212 crore

in FY 2024-25 (₹102 crore in FY 2023-24)

#### Outlook

A strong Balance Sheet, diversified product portfolio and a growing value-added dairy products personality have positioned Parag for sustained financial growth. The Company's margin expansion and disciplined capital allocation will help enhance longterm stakeholder value.

# Manufactured Capital



#### Overview

Manufactured Capital refers to the physical assets and infrastructure a company utilizes to produce goods and services. This includes factories, machinery, technology, transportation systems and buildings - the tangible resources that enable production processes. Managed efficiently, Manufactured Capital supports

operational efficiency, productivity and drives long-term growth.

At Parag, Manufactured Capital has played a critical role in sustaining our journey from a dairy-based business to a global nutritional provider. It represents the physical and technological infrastructure that powers our operations from milk procurement to value-added

processing, allowing us to deliver quality, nutritious products across categories and geographies. Our approach to manufacturing is integrated with a commitment to cost leadership, quality excellence and operational efficiency. This comprises high asset sweating, automation and digitalization, preparing the Company for sizable revenue growth.

#### Our manufacturing priorities

To strengthen our manufacturing capabilities and align them with long-term growth aspirations, Paragidentified the following priorities:

#### Collaborating through an integrated supply chain

- Structured demand forecasting and availability planning.
- Digitized monitoring of supply chain
- Best-in-class compliance with forecast accuracy and planning discipline.
- Rapid response to inbound and outbound fluctuations.

#### **Building capacity**

In-Full dispatches.

- Creating infrastructure to substantially arow revenues.
- Increasing milk procurement through additional Bulk Milk Coolers. • Ensuring infrastructure readiness for
- new product introductions. Supporting sales with 100% On-Time-

#### Improving cost-efficiency

- Optimizing the cost structure by improving plant-controlled costs.
- Driving productivity and process efficiency.

 Enabling revenue growth through enhanced manufacturing competitiveness

#### Driving a culture of excellence

- Standardized systems and processes to ensure flawless execution.
- A 'beyond compliance' mindset related to quality and safety standards.
- Robust governance comprising training and development, strong talent pipeline, operational safety and engaged workforce
- Strong performance management systems

#### **Competitiveness of** assets

Parag's manufacturing infrastructure is positioned competitively.

#### Integrated processing: End-to-end systems from

milk receipt to value-added products processing under one roof.

Portfolio agility: A varied product portfolio processed at our state-of-the-art manufacturing units enables a better responsiveness to external variables.

#### **Quality advantage:**

The Company's plants are approved by globally renowned institutional customers, setting it apart in quality standards compared





to industry peers.

Manufacturing \_ Manufacturing Processing **Farms** asset mix capacities plants

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#### **Manchar unit**

- Ghee production line
- Cheese production line
- Whey processing unit
- Powder plant (all categories)
- Paneer production line
- Dahi production line
- Milk packaging unit
- Sweets manufacturing line



#### Palamaner unit

- Powder plant (all categories)Ghee manufacturing line
- RTD milk beverages
- UHT milk processing
- Flavoured milk Dahi production line
- Milk packaging unit

#### Consistent multi-year presence

Enhanced stability in an everchanging world

Timely payment for milk supplies

Why Parag's procurement function is a social game-changer

Transparent price paid - often electronically

Combined roles of advisor and buyer

Yashoda Women Empowerment **Programme where Bulk Milk** Chillers (BMC) are run by all women.

#### How we have created a decisive procurement advantage

As on 31 March	FY23	FY24	FY25
Average quantum of milk purchases by Parag (LLPD)	13	16	15

**Big numbers** 

33+

Years of milk procurement competence by Parag



# Intellectual Capital



#### Overview

At Parag, Intellectual Capital is more than a repository of our aggregate knowledge; it is our principal innovation driver, brand guardian and long-term value creation foundation. Through strong governance of proprietary knowledge, disciplined internal controls and future-facing investments in science and automation, we are deepening this Intellectual Capital.

Parag's approach to Intellectual Capital is comprehensive, forward-looking and impact-oriented. By embedding legal safeguards in every stage of innovation, maintaining a strict control over proprietary knowledge, investing in automated dairy infrastructure and advancing scientific research in feed and sustainability, we have built a strong, knowledge-led foundation. This foundation not only fuels innovation and operational efficiency but also creates

ecosystem value that benefits partners, consumers and the planet.

Our Intellectual Capital framework enables us to respond to changing consumer needs with agility, protect our innovations with confidence and create differentiated experiences at scale. It supports the Company's longterm strategic objectives by converting knowledge into impact and innovation into sustainable growth.

#### **Our Intellectual Capital approach**

Embedding legal safeguards at every stage

Control on proprietary knowledge

Investment in automated dairy infrastructure

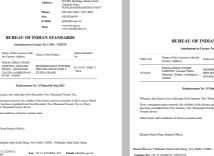
Advanced scientific research in feed and sustainability

Knowledge-led foundation

#### **Our Quality Certifications**



(E) JUHF SA 144







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# Deepening our intellectual property

- Within our research & development (R&D) and new product development (NPD) functions, a structured approach to the protection of intellectual property (IP) ensures that our innovations are safeguarded and operationally secure. Before initiating discussions with any new supplier, vendor, or service provider, we execute a Non-Disclosure Agreement (NDA). This protocol ensures the confidentiality of early-stage ideas and protects sensitive information.
- In cases where external vendors manufacture products on our behalf, the engagement is formalized through

legal agreements built on vetted formats approved by the Legal and Finance teams. These contracts include specific clauses that define the ownership of intellectual property and protect our proprietary work.

# Controlling access to proprietary recipes

Once a product formulation has been finalized, internal protocols and the delegation of authorities preserve its confidentiality. The process design ensures traceability and secure transfer of knowledge with the minimal risk of leakage and protect our competitive advantage.

# Compliance and supporting brand IP

Our approach to food regulations is proactive and well-informed. The R&D and leadership teams continuously engaged with multiple industry associations and forums to stay updated on regulatory changes, especially those concerning the Food Safety and Standards Authority of India (FSSAI). The R&D team in collaboration with the legal team supports the development and registration of new IPs. This ensures our market-facing innovations are creatively distinct and legally protected.

Trademarks registered

150+



#### Bhagyalaxmi Dairy Farm: Scientific and technological innovation hub

The Bhagyalaxmi Dairy Farm represents one of the most advanced dairy innovation ecosystems in India.

Established in 2005 as a researchoriented unit, it was commissioned to refine livestock feeding, breeding and cattle management techniques. Over time, it evolved into a fully automated and digitally integrated dairy operation.

Today, it represents the engine behind our premium dairy brand (Pride of Cows) and exemplifies the translation of institutional knowledge into market leadership.

The farm is distinguished by complete automation. From cow feeding to milking and processing, every step in the dairy value chain is carried out without human intervention. This ensures unmatched

hygiene, efficiency and product consistency.

Milk is delivered directly to consumer doorsteps in seven cities through a subscription-based model, managed through a dedicated mobile application. The app allows customers to manage deliveries, track schedules and access service-related information seamlessly. This fully owned cum operated supply chain ensures a total control over the product experience.

Our customer-empowering app

Manage deliveries

Track schedules

Access service information

#### **Our automation**

**Breeding** 

**Cow feeding** 

Milking

**Processing** 

#### Bhagyalaxmi Bioscience Division: Creating sustainable agricultural value

Established in 2015, the Bhagyalaxmi Bioscience Division has extended the knowledge ecosystem of the dairy farm to feed science and sustainability.

The division conducts research on cattle feed formulations designed to enhance milk yields while ensuring animal health and well-being. Its efforts are aligned with our broader goals of

sustainable agriculture and regenerative economy practices.

The division innovatively converts dairy waste into organic manure supplied to farmer partners, enabling them to organically improve crop yields and soil health. This circular solution not only reduces waste but also creates

economic value for Parag and the farmer ecosystem.

The facility comprises a biogas plant (600 cubic metres). The generated gas is used for internal energy needs, reducing conventional energy needs and carbon footprint.







## **Human Capital**





#### Overview

At Parag, people represent the backbone of our purpose-led growth. We recognize that by empowering our workforce, investing in their development and building a culture of performance we are building towards long-term success.

Parag has transitioned from a promoter-led enterprise to a professionally managed organization, marking a strategic shift towards long-term growth sustainability. This evolution, supported by enhanced governance, streamlined processes and the adoption of industry best practices, has coincided with record financial performance and revenue growth.

Professional management has strengthened operational efficiency, expanded the protein and value-added dairy portfolio and reinforced brand equity through flagship names such as Gowardhan, Go, Pride of Cows and Avvatar. As Parag scales further, this shift positions it to deepen

> Senior management -GM and above Average age:

46 years

consumer trust, attract institutional investors and drive innovation in dairy and nutrition.

Our Human Capital strategy focuses on building future-ready teams, ensuring safety and well-being, promoting diversity and inclusion and embedding ethical and transparent governance in all talent management practices.

Parag also nurtures a culture of innovation, collaboration and learning. Our approach to knowledge management ensures individuals and teams are future-ready and capable of driving strategic outcomes.

Parag's strengths comprise the following: qualified workforce with industry-specific expertize; youthful average age with a mix of experience and energy; diversity and inclusion commitment; strong team spirit, productivity and alignment with organizational values; performance recognition through formal rewards and global best practices.

Mid, junior and staff Average age: 37 years

% of women in the workforce

Person-hours training

100

% workforce trained around safety standards

Big numbers for FY 2024-25

% Age profile, less <45 years

₹ crore Employee benefits

2351

**Employees** 

57

150

3742

# Key HR priorities in FY 2024–25

In FY 2024–25, our HR agenda was steered by five core priorities:

**HR automation through Darwin:** Enabling seamless digital HR operations

**Employer brand building:** Strengthening Parag's position as a preferred employer **Standard operating procedures** (SOPs): Reinforcing HR compliance

**Performance-driven PMS:** Aligning individual goals with business objectives

**Employee-centric Policies:** Creating a robust and inclusive workplace ecosystem

and transparency

#### **Key HR priorities for FY 2024–25**



#### Strategic focus areas

Robust employee policy: We undertook a comprehensive review of existing HR policies and benchmarked them against industry best practices. This initiative ensures that our policies remain competitive, relevant and aligned with evolving workforce expectations.

**Equal opportunity employer:** We remain committed to maintaining a diverse and inclusive workplace. We provide equal opportunities to all individuals irrespective of race, gender, age, disability, religion, or any legally protected status.

Training and development: We believe in continuous learning. Our investments in upskilling and capability building ensure that our workforce is prepared to adapt to emerging technologies, industry shifts and

compliance demands while upholding the highest standards of quality.

Reward and recognition: To promote a performance-oriented culture, we implemented a structured Reward & Recognition programme across departments, including sales, production, marketing and operations. The goal is to reward consistent performance and drive motivation.

Recruitment process: Our recruitment process is tech-enabled and competence-driven. We leverage tools such as Mettl assessments and Darwin HRIS to ensure fair, data-driven and efficient hiring, helping us attract the best talent across domains.

**Performance management system:**We rolled out a KPI-linked PMS focused

on goal clarity, measurable outcomes and transparent evaluations. The PMS is tightly aligned with business objectives, ensuring every employee contributes that to the Company's growth.

**Employee safety:** We developed a culture of safety that ensures the well-being of our employees and operational assets. Our practices include rigorous audits, safety drills and environment-friendly processes.

Governance and Code of Conduct: We maintained robust HR governance supported by a comprehensive Code of Conduct. This framework strengthened legal compliance, enhanced public trust and fosters a culture of ethical business practices and mutual respect.

# Addressing material people issues

Occupational health and safety: We conduct frequent risk assessments, training sessions and strict regulatory compliance checks to ensure a safe workplace for all.

**Fair wages:** Our compensation structures are market-aligned and reviewed regularly to ensure fairness, transparency and alignment with regulatory norms.

**Local labour inclusion:** We focus on hiring from local communities, enabling economic inclusion. Local hires are trained and upskilled to meet industry standards,

helping improve livelihoods and reduce unemployment.

**Talent retention:** We have created a supportive work culture emphasizing growth, rewards, transparency and work-life balance. By nurturing talent internally, we enhance retention and foster loyalty.

# Enhancing workplace productivity

- **Strengthened** compliance frameworks, leading to reduced insurance premiums and risk exposure
- Fostered a safer, more supportive work environment that boosted employee morale and onground productivity
- Implemented systems and processes that improved operational efficiency and team collaboration

#### Building employer of choice credentials

- Appointed experienced senior leaders across key functions including Finance, HR, Sales, Technical and Supply Chain to drive strategic growth
- Rolled out Manthan a leadership development and talent mapping initiative to identify and nurture highpotential employees
- Introduced progressive HR policies, performancelinked reward systems and career development frameworks to enhance talent engagement and retention

#### Our employee goals

At Parag, we seek seamless HR automation, employee-centric HR policies, transparent and objective performance management, recognition-based engagement and a strong employer branding.

#### Outlook

Parag Milk Foods remains committed to nurturing a resilient, agile and future-ready workforce. As we continue to invest in people, processes and policies, our human capital will remain a key pillar in achieving sustainable growth, innovation and stakeholder value



Year	1	FY23	FY24	FY25	
Employees		1716	2176	2351	
Average age (years)		38.8	39.6	38.4	
Person-hours spent to	owards trai	ning			
Year	F	Y23	FY24	FY25	
Training in person hour	s	1836	2227	3742	
Retention rate (%) HR					
Year	ı	-Y23	FY24	FY25	
People retention rate in	1%	82	82	83	
Employee cost					
Year	I	FY23	FY24	FY25	
Employee cost (₹ crore	.)	98	122	150	
Training coverage of t	he organiza	ation (HR)			
Year		FY23	FY24	FY25	
Training coverage in %	terms	100	100	100	
Fatality on job					
Year	FY23		FY24	FY25	
Fatality	NIL		NIL	NIL	
Lost-time injury					
Year	FY23		FY24	FY25	
Lost-time injury	NIL		NIL	NIL	
Lost-time injury frequ	ency rate				
Year		FY23	FY24	FY25	
Lost-time injury freque	ncy rate	NIL	NIL	NIL	
Total recordable injur	y frequency	rate			
Year	FY23		FY24	FY25	

Overview

At Parag Milk Foods, sustainable growth is inseparable from the responsible stewardship of natural resources. As one of India's leading dairy FMCG brands, the Company's operations are interlinked with the health of ecosystems, agricultural landscapes and farming communities. With an emphasis on sustainable sourcing, resource utilization and climate resilience, Parag continues to integrate environmental responsibility into every stage of its value chain.

Natural Capital

#### Sustainable sourcing and farm integration

Parag's supply chain is anchored by a network of over 5,00,000 farmers and 300+ bulk milk coolers across India. This network not only ensures consistent procurement but also sustains rural livelihoods and promotes long-term sustainable farming practices.

An initiative in this direction is Bhagyalaxmi Dairy Farms Pvt. Ltd., the Company's wholly owned subsidiary. The farm exclusively supplies to Pride of Cows, Parag's premium brand. With a vision to expand to ~15,000 cows by 2030, the initiative embodies the Company's focus on ethical dairy farming, animal welfare and fully traceable sourcing.

#### Water and energy efficiency

The Company's manufacturing facilities are designed to optimize water and energy consumption. During FY 2024-25, efficiency was enhanced through:

- Infrastructure consolidation for improved energy management.
- Cold storage and depot restructuring that reduced wastage and improved energy efficiency.

These interventions not only lowered operational costs but also reduced the Company's environmental footprint.

#### Climate resilience and emissions management

Parag is advancing its decarbonization journey by exploring low-carbon technologies and renewable energy integration across manufacturing operations. Logistics and distribution are being strengthened through planning, which helps reduce fuel consumption while improving delivery efficiency.

#### Carbon footprint and emissions reduction roadmap

The Company's sustainability roadmap for FY 2024-25 included:

- Transitioning to low-carbon logistics through optimized route planning and fleet upgrades.
- Exploring renewable energy integration across the manufacturing sites.
- Attained a 29% decrease in Scope 1 and Scope 2 greenhouse gas emissions compared to the previous year, reflecting

ongoing efforts in energy efficiency and emission control.

#### Community and biodiversity initiatives

The Company recognizes the importance of biodiversity and land-use management in dairy operations. Procurement centers and farms are managed to minimize ecological disruption, while CSR initiatives reinforce environmental responsibility.

Key focus areas include:

- Afforestation near farms and facilities.
- Soil health improvement through organic feed and pasture management.
- Training programmes for farmers on sustainable dairy practices.

#### Outlook

The Company's Natural Capital strategy will continue to align with its broader ESG roadmap. Key priorities will include:

- Water management practices and ensure the efficient and sustainable use of water resources within our company. By the year 2027, we are committed to achieve a 10% reduction in the water required for each litre of milk processing
- Establish effective waste management practices within our company, focusing on waste reduction, recycling responsible disposal and minimizing environment impacts. We aim to reduce our overall waste generation by 10% by 2027 through structured process optimization and targeted waste reduction initiatives
- Achieve efficient energy management practices within our company, focusing on optimizing energy use, reducing consumption, promoting energy efficiency and increasing the adoption of renewable energy sources. By 2027, we aim to source 45% of our electricity from green energy solutions, including solar and biogas. Looking ahead, our goal is to ensure that 75% of our total electrical energy comes from renewable sources and by 2030, we plan to source 50% of our overall energy needs—including thermal and electrical energy—from clean and sustainable sources.

#### **Big numbers**



% lost-time injuries

#### 100

% number of workforce trained in safety standards

#### **Employees by gender**

Year	FY25
Male	91%
Female	9%

#### Employees by age group

Year	FY25
Age group, 22-35	1159
Age group, 36-45	776
Age group, 46-60	416

#### **Employees by tenure**

Year	FY25
More than 5 years	+008

#### **Big numbers**

FY 2024-25

5 lakh+ farmers integrated into our

operations

sourcing network

45 % renewable energy share in our manufacturing

55 % water from recycled sources and reused at facilities

300+

collection

Bulk milk coolers

ensuring efficient milk

5000+

Cows hosted at Bhagyalaxmi Dairy Farms

29

% reduction in Scope 1&2 emissions over the previous year

### Social and Relationship Capital



#### **Overview**

At Parag, Social and Relationship Capital is the key element of long-term value creation. By promoting a trust-based relationship with farmers, consumers, communities, regulators, investors and business partners, the Company ensures inclusive growth and sustainable impact. Guided by transparency, collaboration and ethical governance, Parag continues to deepen its engagement with stakeholders while strengthening brand trust across India and international markets.





# Farmer empowerment and rural development

Parag has nurtured relationships with over 2,00,000 dairy farmers across India, offering veterinary support, feed management guidance and training in sustainable dairy practices. These interventions improve productivity and empower rural communities through consistent income streams.

The flagship Bhagyalaxmi Dairy Farm, one of India's largest mechanized cow farms, houses over 5,000 cows and serves as a model for hygienic and high-yield dairy farming. Looking ahead, the newly conceptualized Swarnabhoomi farm will replicate and expand this model, with a vision to house ~15,000 cows by 2030, generating large-scale rural employment and ensuring clean milk production.

# Consumer trust and brand engagement

Parag's portfolio of trusted brands -Gowardhan, Go, Pride of Cows and Avvatar - reaches millions of households across the country. With 4.6 lakh retail touchpoints, supported by 29 depots, 500 super stockists and ~4,500 distributors, the Company ensures last-mile connectivity.

Pride of Cows expanded its premium range with single-origin high protein - low fat

paneer and Greek Yogurt with 8 gm protein and real fruit catering to urban, health-conscious consumers.

Avvatar, India's first 100% vegetarian whey protein brand, registered a 6x revenue growth in FY 2024-25 compared to FY 2021-22, reflecting a rising consumer preference for quality and nutritional whey protein products.

#### **Community engagement**

The Company's community welfare programmes are aligned with rural development. Key initiatives include:

- Supporting rural entrepreneurship through modern dairy farm setups and Heifer calf rearing, promoting genetic conservation and higher rural incomes.
- Education and skill development programmes for rural youth.
- Women empowerment through dairy cooperatives.
- Investment in village-level milk processing infrastructure, complementing the Government's self-reliance agenda.
- Medical camp, milk distribution for dumb and deaf children, raincoat distribution to police authorities, food distribution to Zilla Parishad schools

#### Stakeholder engagement

Parag maintains a structured engagement with all stakeholders through its Stakeholders Relationship Committee, CSR Committee and Risk Management Committee. These governance mechanisms ensure that the interests of diverse stakeholders are addressed proactively.

The Company upholds the highest standards of corporate governance, with an emphasis on ethical conduct, compliance and accountability.

# Investor engagement and transparency

The Company's investor relations cell drives continuous and transparent communication with shareholders and analysts through a participation in various investor conferences, one-on-one and group meetings. All the investor complaints and queries are handled actively and there were no outstanding complaints as on 31st March, 2025. Regular disclosures, quarterly updates, presentations and press releases were disseminated through BSE, NSE and the Company's website, ensuring easy access to information.

This proactive engagement strategy contributed to improved market perception, enhanced shareholder value and an alignment with global best practices.

# Brand visibility and digital engagement

#### Parag strengthened its brand through high-profile campaigns and partnerships:

- Gowardhan Ghee sustained a 22% market share in the branded cow ghee segment and continued its association with the TV programme Kaun Banega Crorepati.
- Go Cheese, with a 35% market share, partnered Bigg Boss and Maharashtrachi Hasya Jatra to reinforce consumer recall
- Pride of Cows continued to strengthen its position as a premium single-origin milk brand, emphasizing authenticity, purity and unmatched quality. The Company leveraged digital-first campaigns, influencer-led

storytelling and strategic collaborations to expand brand awareness among discerning consumers. It enhanced brand recall through curated consumer experiences, farm tours and premium lifestyle associations, positioning Pride of Cows as a symbol of luxury dairy consumption.

• Avvatar strengthened its presence in India's fast-growing health and fitness segment with innovative product launches, over 100 influencer activations, and impactful pre-order campaigns. By leveraging high-visibility platforms like MTV Roadies, the brand enhanced consumer engagement and positioned itself as a strong homegrown challenger in the sports nutrition space, effectively competing with international players and driving category awareness among both fitness enthusiasts and mainstream consumers.

 Through Zepto, Blinkit, and other quick-commerce platforms, Parag expanded its omnichannel presence, ensuring convenience and a wider reach.

#### **Outlook**

As Parag scales operations, it will focus on partnerships with farmers by providing advanced technology and comprehensive training. The Company is committed to expanding its corporate social responsibility initiatives in underserved regions, aiming to create a greater social impact. Parag will work to enhance consumer trust by driving innovation and promoting transparency. The goal is to build a resilient, inclusive and sustainable dairy ecosystem that benefits all stakeholders.





# **Parag Bulletin**

Welcome to this edition of our newsletter, where we bring you the latest updates of Parag Milk Foods Ltd.

Curly Tales x Pride of Cow

Pride of Crows Farm collabration with Curty Lates is live on Youtute, Insta and Facebook. This video highlig our innovative single-origin peemium Brand journey. Watch what Karniya Jani has to say about Pride of Ca as she visitis our state-of-the-iart farm, where every drop of milk is delivered untouched by human hands, collaboration brings to life our promise to purity and excellence. Catch the full video on the Curty 1 Not The American Carlot.







# How we strengthened the Parag brand in FY 2024-25

#### **Overview**

At Parag, the brand represents strategic equity that drives long-term value. The name embodies Ambition, Nutrition, Innovation, Goodness and Sustainability, which form the foundation of its brand personality. Parag has transformed India's dairy sector by formalizing an unorganized market into a structured FMCG ecosystem. This brand equity is the result of a consistent investment of about ~4% of annual revenues in comprehensive brand-building. Paragutilizes a 360-degree marketing strategy, combining traditional media, digital platforms, influencer partnerships and event sponsorships. Supported by strong distribution across conventional, modern and online channels, this approach ensures

that products are available, accessible and affordable.

Consequently, Parag's brand strength is evident in its leadership in key categories, growth in premium products and rising consumer trust. The brand is a valuable asset delivering sustained strategic and financial returns.

# SONY TELEVISION 9 РМ





#### **Brand strengths**

The Company offers a bouquet of brands and has been identified with consistently superior quality products. The superior quality has been derived from the exclusive use of cow milk. The Company has sustained new product development, supported by promotional spending.

#### **Brand offerings**

The Company has four brands: Gowardhan, Go, Pride of Cows and Avvatar: Gowardhan, represents traditional Indian offerings. Go. encompasses modern dairy products, Pride of Cows, premium single origin farmto-home dairy product offering and Avvatar India a sports and nutrition brand in the health and lifestyle space.

#### **Performance**

The Company's brand strength was validated yet again during the last financial year. The Company reported a 9% growth in revenues. The strength of the Company's brand was reflected in its fundamentals: despite the year being challenging for the FMCG sector, Parag's fundamentals remained largely protected.

This relatively superior performance was on account of the Company's responsiveness to the evolving character of India's dairy sector. During the last three years, the sector has been increasingly marked by a growing disposable income among the country's youth, adulteration in unbranded products, transition towards convenience food consumption, online and modern trade purchases, preference for branded dairy products and a willingness to experiment with new products.

#### Strategic marketing and brand engagement

In FY 2024-25, the Company executed a comprehensive 360° marketing strategy, driving strong brand visibility and deeper consumer engagement across categories. Leveraging high-impact associations, integrated campaigns, influencer-led initiatives and on-ground activations, each brand in the Parag Milk Foods portfolio built a stronger recall, trust and market relevance.



#### Gowardhan

Gowardhan strengthened its leadership position by deepening its connection with consumers through mass-media integrations and purposeful messaging



Maharashtrachi Hasya Jatra: Partnered as a Co-Presenting Sponsor on this high-TRP regional show, enhancing visibility across Maharashtra.



Kaun Banega Crorepati: For the third consecutive year, Gowardhan associated with India's most iconic quiz show, reinforcing trust and national recall.



 $Ready-to-Eat Sweets \, TVC \, launch: Introduced \, a \, compelling \, campaign \, with \, the \, message \, 'No \, Adulteration, \, Khushiyo \, King \, Compelling \, campaign \, with \, the \, message \, 'No \, Adulteration, \, Khushiyo \, King \, Compelling \, Compelling$ Mithai', positioning Gowardhan sweets as the symbol of purity and celebration.



Festive print campaigns: Rolled out impactful print ads. especially around Vasubaras, to connect with culturally rooted consumers during festive occasions.



#### Go

The Go brand continued to expand its reach and relevance by connecting with diverse audiences across multiple platforms:



Bigg Boss Season 18: Participated as a Special Partner, leveraging one of India's mostwatched entertainment properties to build youth-centric engagement.



'Make It Amazing' TVC launch: A fresh, vibrant campaign aired across leading news channels, celebrating Go's innovative cheese portfolio and encouraging consumers to experiment with exciting food experiences.



Print campaigns: Targeted visibility through planned print advertisement, driving awareness and affinity across the urban markets.



Indus food participation: Showcased Go's extensive product portfolio at one of India's largest international food and beverage trade shows, strengthening its B2B outreach and export potential.



#### **Pride of Cows**

Pride of Cows strengthened its positioning as India's most premium single-origin milk brand through impactful storytelling and experiential engagement



Launched a premium brand film highlighting our single-origin farm-fresh milk experience.





Collaborated with Malaika Arora to reinforce luxury positioning and lifestyle appeal.







Partnered with Curly Tales to showcase an engaging farm-to-table journey and connect with discerning consumers.



Navratri partnerships: Associated with festive events, building a deeper emotional resonance and visibility among celebratory audiences.



#### **Avvatar**

Avvatar, India's homegrown sports nutrition brand, accelerated its growth trajectory with high-energy activations and launches, targeting both fitness enthusiasts and the larger protein-deficient population:



Influencer-led campaigns: Partnered top fitness creators and sports personalities to spread awareness on protein nutrition and promote Avvatar's cutting-edge offerings.



IHFF Exhibition participation: Engaged with fitness professionals and athletes at India's largest health and fitness expo, reinforcing Avvatar's credibility in the performance nutrition space.

#### Outlook

The Company aims to strategically expand its product portfolio by tapping into emerging consumer needs and addressing untapped market white spaces. Building on

the momentum of last year's investments in growth platforms spanning product innovation, brand visibility and channel expansion, the Company is positioned to convert these efforts into strong revenue

growth. This approach aligns marketing with business strategy, ensuring sustained brand relevance and deeper market penetration in the current financial year and beyond.

# Board of **Directors**



Mr. Devendra Shah Chairman, Executive Director SR|NR|CSR|F|M



Mr. Pritam Shah Managing Director and Interim CEO A|SR|RM|F|M



Ms. Akshali Shah Executive Director SR|RM|CSR|M



Mr. Narendra Ambwani Non-Executive & Independent Director NR | A | CSR



Mr. Nitin Dhavalikar Non-Executive & Independent Director A RM F NR



Dr. Dnyanesh Darshane Non-Executive & Independent Director SR | A | RM



Ms. Radhika Dudhat Non-Executive & Independent Director RM | CSR | NR



Mr. Nikhil Vora Non-Executive & Non-Independent Director

Stakeholders Relationship Committee **RM:** Risk Management Committee Nomination and Remuneration Committee CSR: Corporate Social Responsibility

Audit Committee

Finance Committee Management Committee

# Management discussion and analysis



#### **Economic overview** Global economic overview

Global economic growth is expected to remain stable at around 3.0% in 2025 and slightly improve to 3.1% in 2026, according to the latest IMF projections. This marks a moderate outlook compared to the historical average growth rate of 3.7% from 2000 to 2019. Inflation globally is expected to decline steadily during this period due to supply chain stabilization and tighter monetary policies. The global services sector shows resilience, although emerging economies face slight slowdowns in growth.

However, the World Bank presents a more cautious forecast, projecting global growth to slow to as low as 2.3% in 2025. which would represent the slowest global expansion outside recession periods since 2008. This downward revision reflects the significant headwinds from heightened trade tensions and tariff-related uncertainties under the administration of U.S. President Donald Trump, who returned to office in late 2024.

In 2025, the geopolitical environment remains tense with numerous ongoing conflicts. The wars in Ukraine. Gaza and Sudan continue with no effective peace agreements, compounded by shifting alliances and military cooperation such as North Korea's support of Russia in

In sum, while baseline projections suggest a modest global growth rate near 3%, escalating tariff policies under President Trump and ongoing global conflicts could suppress growth towards the 2.3% level forecasted by the World Bank, emphasizing persistent uncertainty and risks in the global economic outlook.

Regional growth (%)	2024	2025
World output	3.2	3.3
Advanced economies	1.7	1.7
Emerging and developing economies	4.2	4.4

(Source: IMF, KPMG, Press Information Bureau, BBC,

#### Indian economic overview

India's GDP grew by 6.5% in FY 2024-25, down from 9.2% in the previous year, primarily due to softer manufacturing growth and subdued public investment. Despite this, India remained the world's fifth-largest economy, with nominal GDP rising to ₹330.68 trillion. Per capita income increased to ₹2,35,108 and CPI inflation averaged 4.63%, the lowest since the pandemic. The rupee closed FY 2024-25 at ₹85.47/USD, despite showing resilience in March 2025. Foreign exchange reserves hit USD 676 billion, supported by robust rural consumption, infrastructure investments and low corporate debt. Gross FDI rose by 13.6% to USD81 billion despite a Q4 slowdown triggered by US policy shifts. The banking sector strengthened with gross NPAs falling to 2.6% and exports grew to USD 824.9 billion despite Red Sea disruptions. GST collections rose 8.6% YoY, while mutual fund assets surged 23% to ₹65.7 lakh crore, driven by higher SIP participation. Though equity markets saw modest gains (Sensex up 7.5%), gold

outperformed, rising 37.7%—reflecting investor preference amid global uncertainty.

Looking ahead, India is expected to remain the fastest-growing major economy, with FY26 growth forecasted at 6.5%. Several factors support this outlook: competitive advantage from US-China tariff differentials, increased capital expenditure under Union Budget 2025–26, personal income tax cuts to spur consumption and a new FTA with the UK benefiting key export sectors. The RBI has also rolled back credit restrictions, aiming to revive retail lending growth. The implementation of the 8<sup>th</sup> Pay Commission is expected to boost income and consumption. Overall, strong macro fundamentals, reform momentum and domestic demand are likely to cushion India against external headwinds.

#### Growth of the Indian economy

	FY22	FY23	FY24	FY25
Real GDP growth (%)	8.7	7.2	9.2	6.5

(Source: MoSPI, Financial Express)

#### **Industry overview**

### Fast-Moving Consumer Goods (FMCG)

India's FMCG sector, one of the country's largest and fastest-growing industries, continues to gain momentum with rural consumption emerging as a key growth driver. In Q4 FY 2024-25 (January to March), rural demand surged nearly four times faster than urban demand, registering 8.4%

year-on-year growth. This was fuelled by increasing affordability, rising disposable incomes and a growing preference for small, value-driven packs. Smaller players capitalized on this trend, recording a robust 17.8% growth, while both e-commerce and traditional kirana channels supported deeper rural penetration.

For Parag Milk Foods Limited, this momentum presents a significant opportunity. With its strong portfolio of

value-added dairy products, widespread distribution and deep farmer connect, Parag is well-positioned to tap into this demand through affordable, protein-rich offerings that align with rural aspirations for better nutrition and quality. The Company's reach into tier II-III towns and rural markets reinforces its role in driving inclusive FMCG growth across Bharat.

(Source: Business Today, Statista, Sukhanidhi, IBEF, Custom Market Insight, Financial Express)

### Dairy industry overview

#### **Global dairy industry**

The global dairy industry plays a crucial role in agriculture, food security and rural livelihoods, supporting over 650 million people across approximately 140 million dairy farms. Notably, about 40 million women manage their own farms. Around 9.5% of global milk production is traded annually, underlining the sector's importance in global commerce.

In 2024, the global dairy market reached an estimated value of USD 991.5 billion and is projected to grow to USD 1.5–1.7 trillion by 2033, at a CAGR of 4.75% between 2025 and 2033. This growth is fuelled by rising population, urbanization, increasing proteinrich diets, technological advancements and supportive government policies. Consumer preference for dairy-based snacking and functional products is also contributing to this expansion.

Key players like India, US and China continue to dominate both production and consumption, ensuring that the global dairy sector remains on a steady growth trajectory in the years ahead.

(Source: IMARC, Statista, The Business Research Company, Dairy News, Dairy Global, The Bull Vine)

#### Indian dairy market overview

India's dairy market was valued at approximately USD 135.3 billion in 2024 and is expected to reach around USD 146.8 billion in 2025. It is projected to grow substantially to an estimated USD 274.1 billion by 2032, with a compound annual growth rate of about 9.33% during 2025–2032. Some sources indicate a slightly higher CAGR of up to 14% over a similar forecast period. The Indian dairy sector plays a crucial role globally, as India is the world's largest milk producer, contributing about 25% of the global milk supply.

In terms of production, India's milk output was around 239 million metric tonnes (MMT) in FY 2023–24, rising from 233 MMT in FY 2022-23 and is projected to increase to 251 MMT in FY 2024-25 and further to approximately 375 MMT by 2032. Cow milk production alone is

# expected to reach around 103.2 MMT by 2025. Rising per capita milk consumption, changing dietary habits, government support and technological improvements are key drivers of this growth.

The dairy market in India remains partly unorganized, with 55–60% of the market still under unorganized players as of FY 2024-25. However, the organized segment has grown from about 32% to 40% and is projected to reach around 54% by 2026, driven by investments from cooperatives and private firms, improved cold chain logistics and expanding retail and e-commerce platforms.

India's dairy sector supports over 80 million farmers, predominantly in major milk-producing states known as the 'cow belt,' which includes Uttar Pradesh, Rajasthan, Madhya Pradesh, Punjab, Gujarat, Maharashtra, Tamil Nadu andhra Pradesh and Telangana. These states are critical to India's position as a global dairy powerhouse, helping secure rural livelihoods and national dairy output.

On the trade front, India exported about USD 272 million worth of dairy products in FY 2023-24, with the US as a key market contributing around USD 33 million. However, India faces challenges from global tariff disruptions, especially from the US, which impacts about 50% of its dairy exports to regions like West Asia, North Africa, Southeast Asia and China.

In summary, India's dairy sector continues to expand robustly, backed by strong domestic production growth, increasing organization of the market and strategic importance to millions of farmers. While global tariff uncertainties and trade tensions pose some near-term risks, the sector's fundamental strengths and government support underpin a positive long-term outlook.

(Sources: Openpr, The Economic Times, Fortune India)

#### **Growth drivers**

Government support: Initiatives like the Rashtriya Gokul Mission, NDDB and DEDS are propelling dairy development through investments in infrastructure, animal health, breeding and fodder access. The FY 2024-25 dairy budget was increased to ₹2,790 crore, reflecting renewed focus on dairy and livestock sectors.

Rising milk production: Improvements in animal health, feed quality and breeding have increased milk yields across indigenous and crossbred cow and buffalo herds. Milk production is expected to rise from 239.3 MMT in FY 2023-24 to 300 MMT by 2030, driven by improved dairy practices and higher cattle numbers.

Strong consumer demand: Consumer demand remains robust, especially for value-added products like paneer, curd, ghee, butter, cheese, yogurt and whey. Rising disposable incomes and brand preference are expected to fuel 13% revenue growth in FY 2024-25.

Growing health awareness: Consumers are increasingly seeking nutrient-rich dairy options, including fortified milk, probiotic drinks and flavoured yogurt. Dairy firms are responding with product innovations targeting health and wellness-conscious buyers.

Emerging trends: Interest is rising in alternative dairy products like camel and goat milk, supported by digital awareness and niche nutritional preferences.

**Evolving dietary habits:** Indians are shifting away from cereal-heavy diets toward

higher consumption of milk and milk-based products, driven by changing lifestyles and health priorities.

(Source: IMARC, The bull vine, Business standards, Fortune business insights, Indian express, Market Research, Statista)

#### **Government initiatives**

The Indian government launched initiatives to support the growth and development of the dairy industry.

Rastriya Gokul mission: The government has increased the total outlay to ₹3,400 crore for the period 2021-26, the mission aims to conserve and develop indigenous cattle breeds, improving milk production and productivity.

National programme for dairy development (NPDD): The NPDD has a total outlay of ₹2,790 crore for the period 2021-26. The program focuses on strengthening dairy infrastructure, enhancing milk production and improving the quality of dairy products.

Dairy processing and infrastructure development fund (DIDF): The DIDF has a total corpus of ₹8,004 crore to provide subsidized loans for modernizing milk processing and value addition infrastructure. The fund provides financial assistance for the development of dairy infrastructure, including processing units, cold chain facilities and packaging units.

(Source: India.gov, Dairy.assam.gov, NPI, DAHD.gov, DD.kerala.gov, PIB)

#### **Exploring market potential**

Dairy products like milk, ghee, curd, paneer, cheese and khoya are staples in Indian cooking. They are used to make a variety of cuisines - from sweets and beverages to meals and snacks.

These products are essential ingredients in traditional Indian recipes and are now being incorporated into Western dishes to cater to Indian tastes. Paneer is being used in pizzas and burgers, reflecting a growing trend of blending Indian flavours with global cuisines.

**Ghee:** Ghee, also known as clarified butter. Cow ghee, in particular, is valued for its rich taste, aroma, grainy texture from beta-carotene and health benefits such as antioxidants, omega-3 fatty acids, improved digestion, cardiovascular support, enhanced cognitive function and bone health.

**Cheese:** Cheese is a nutritious food consisting primarily of curd, a semisolid

substance formed when milk curdles or coagulates.

#### **Market segmentation**

**By type:** The market is categorized into processed cheese, mozzarella, cheddar and others, with processed cheese currently holding the largest share.

**By format:** Cheese is available in various formats including slices, cubes, shredded, blocks and spreads; cheese slices dominate the market due to their versatility.

**By application:** Major applications include pizzas, burgers, sandwiches and traditional Indian dishes like dosa and parathas.

**By retail/institutional sector:** The institutional sector (e.g., restaurants and food service chains) shows significant dominance in cheese sales.

Whey protein: Milk whey protein is a highquality, complete protein derived from the liquid by-product of cheese and paneer production. It is rich in essential amino acids, quickly absorbed by the body, and widely used to support muscle growth, recovery, and overall nutrition.

Paneer: Paneer, also known as Indian cottage cheese, is a nutritious food prepared from curdled hot milk. Paneer is a versatile ingredient used in various Indian dishes, including savory delicacies, sweets and snacks

**Curd:** Curd (dahi), a staple in Indian cuisine made by coagulating milk with lactic acid bacteria or acids, is rich in calcium, vitamin D, protein and phosphorus, offering benefits like improved digestion and bone health.

Liquid milk: The Indian liquid milk market, the largest segment in the dairy sector, The organized sector is rapidly expanding, capturing nearly 48–50% of the liquid milk market (₹6.5–6.7 lakh crore), while the unorganized segment still holds a slightly larger share of 50–52% (₹6.5–6.8 lakh crore). This transition reflects better infrastructure and branded products in the organized segment alongside strong rural penetration and traditional supply chains in the unorganized sector.

(Source: The New India Express, Fortune India, IMARC)

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#### Integrated business model

#### Distribution

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**Depots** 

4.500 +Distributors

500+ Super Stockists

4.6 Lakh Pan India Retail **Touch Points** 

#### Milk procurement

100%

Cow milk from key milk

Relationship with over 5 lakh+

Farmers across India

#### **Processing**

03

State-of-the-art manufacturing facilities

3.4 million Litres/day milk processing capacity

#### 10 lakh

Litres/day whey processing capacity

110

MT/day each of ghee & cheese

20

MT/day of paneer

#### **Brand impact**

Parag Milk Foods has demonstrated strong brand performance across its diverse product portfolio, catering to various consumer needs and preferences.

**Gowardhan** is a brand that resonates with Indian households in both urban and rural areas. Its extensive product range includes daily dairy essentials such as ghee, milk, paneer, dahi, curd, butter, dairy whitener, ready to eat sweets and gulab jamun mix. Parag expanded the Gowardhan brand to include traditional sweets, launching a collection of seven delectable offerings including Kaju Katli, Malai Pedha, Kesar Pedha, Kaju Pista Roll, Mawa Gujiya, Mysore Pak and Malai Modak.

Go, a flagship brand in Parag's portfolio for cheese, is tailored for modern families leading fast-paced lifestyles. It caters primarily to young working couples and urban-centric households with active children, offering convenience without compromising on nutrition.

Go has expanded its offerings with UHTbased beverages and value-added dairy drinks, such as spiced buttermilk, flavoured milk and protein-enriched beverages. These products are shelf-stable, require no refrigeration and are ideal for on-thego consumption, making them especially relevant for time-starved consumers in both urban and semi-urban areas. This strategic extension reinforces Parag's position as a provider of convenient, healthy dairy

solutions across multiple use-cases and consumption moments.

Pride of Cows provides a unique farm-tohome single origin milk and milk products that distinguishes it from other dairy products in the market. Positioned as a premium dairy brand, it sources milk from India's most advanced dairy farm, ensuring quality and freshness for discerning consumers.

**Avvatar** Whey Protein, India's first 100% vegetarian whey brand, continues to disrupt the health and nutrition space with its high-quality products. Backed by cuttingedge innovation, the brand is rapidly gaining consumer trust and emerging as a strong homegrown alternative to international competitors.

#### **Brands**



Parag Milk Foods has established itself

industry, boasting an extensive distribution

touchpoints, over 4500 distributors, 500

super stockists and 29 depots across the

country. This robust infrastructure enables

Parag to effectively reach consumers

and maintain a strong presence in the

market. The Company has also forged

farmers, ensuring that it sources 100%

strong partnerships with more than 5 lakh

cow milk from key milk-producing regions.

as a leading player in the Indian dairy

network that includes 4.6 lakh retail







**Dairy farming** 

~5,000+

Largest automated dairy

farm with Holstein Friesian

Demonstrating a commitment to quality, Parag operates the largest automated dairy farm in India, housing over ~5000 Holstein Friesian cows.

Parag's product portfolio is diverse and caters to various economic segments, featuring well-known brands. The Company offers premium products like its flagship Gowardhan Ghee, along with the unique and a wide range of GO cheeses targeted at the mass-affluent segment. For higherend consumers, Parag has introduced new-age business like Pride of Cows and

Avvatar, which focus on delivering highquality dairy products.

The Company's strategic focus on core categories and new age business has been a significant driver of its growth. Currently, core categories—including ghee, cheese and paneer—constitute approximately 57% of Parag's overall portfolio, value-added offerings. By prioritizing innovation and quality in its product development, Parag Milk Foods continues to strengthen its position in the competitive dairy market of India.

#### **Business performance across** subsidiaries

Bhagyalaxmi Dairy Farm: Bhagyalaxmi Dairy Farm, 100% owned by Parag, is India's most advanced dairy farm, spanning 35 + acres and equipped with cutting-edge international technology. This farm is home to over ~5000+ cows and serves as the foundation for the premium dairy products sold under the 'Pride of Cows' brand. These high-quality products cater to SEC A+ consumers and include whole milk, fat-free milk, ghee, paneer and curd. The farm has pioneered the 'farm to home' single origin milk concept, experiencing remarkable growth as a result.

The Company's greenfield expansion initiative includes a 500-acre farm situated 40 kilometers from Manchar towards Nashik, which will accommodate a state-ofthe-art dairy farm.

#### Bhagyalaxmi Bioscience Division:

Bhagyalakshmi Bioscience Division is committed to sustainability and innovation by utilizing cow dung to produce organic fertilizers, soil enhancers and eco-friendly agri-solutions. Leveraging advanced bioscience technologies, the division develops high-quality cultures, enzymes

and value-added ingredients. Our continuous R&D efforts focus on delivering natural, effective and sustainable solutions that enrich agriculture while reducing environmental impact. Through innovation and responsible practices, Bhagyalakshmi Bioscience contributes to a greener future and a stronger value chain.

#### New categories and launches during the year

In FY 2024-25, Parag Milk Foods has significantly expanded its product portfolio across its flagship brands, Gowardhan, Go, Pride of Cows and Avvatar, to meet the rising consumer demand for high-protein, nutrient-rich dairy products. This strategic move aligns with the Company's vision to lead the premium dairy nutrition segment in India and globally.

#### Key product launches by brand

#### Gowardhan

Chikki: Made with 100% pure ghee, available in Sesame and Peanut variants. This traditional snack blends nostalgia with nutrition

#### Go

Fruit Yogurt: Crafted with cow milk available in mango, blueberry and strawberry flavors., it targets healthconscious consumers seeking probioticrich snacks

#### **Pride of Cows**

Low-fat, high-protein paneer: Delivers 45g of protein per 200g pack. Ideal for fitness-focused consumers.

Greek yogurt: Available in fig & honey, blueberry, pineapple and mixed berry flavors. Each 100g pack contains 8g of protein.

#### Avvatar

Performance whey: Designed for everyday whey nutrition.

Protein wafer bar: Available in chocolate flavour. Designed for on-the-go fitness enthusiasts.

Creatine: Expanded the product portfolio with the launch of Avvatar Creatine, further strengthening the brand's commitment to providing science-backed, performancedriven nutrition.

#### Product performance

Parag's product mix in FY 2024-25 reflected comprehensive offerings, emphasizing value-added milk products. In FY 2024-25, Parag Milk Foods showcased a diverse product value mix tailored to meet various consumer preferences:

Milk: Milk constituted 10 % of Parag's product mix, offering a variety of options such as toned, double toned, full-cream and low-fat milk. These products are designed to provide essential nutrients and nourishment to consumers.

Core categories: This category comprising of ghee, cheese and paneer represents a significant portion of the product mix, accounting for 57%. Valueadded milk products undergo additional processing or include specific ingredients to enhance their nutritional value or taste, catering to the growing demand for premium dairy offerings.

**New age business:** Making up 6% of the product mix, Parag introduced a range of new-age products that align with evolving consumer trends and preferences. Notable brands in this segment includes Pride of Cows (offers a premium dairy experience) and Avvatar (whey protein brand aimed at health-conscious consumers).

Ingredients business: This accounted for 17% of Parag's product mix. These products is suitable for various applications in food products like bakery items, confectionery, infant food, protein enriched offerings, pharmaceutical products and dairy-based desserts.

#### **Key financial highlights**

In FY 2024-25, Parag Milk Foods delivered its highest revenues. This performance was attributed to a widening and outlet coverage, as well as impactful marketing, branding and premium pricing.

 For Parag, an improved product mix resulted in a consistent improvement in gross profit margins, which reached ₹885 crore. The Company experienced a 130 -basis points expansion in EBITDA margin.

- Parag demonstrated resilience, increasing planned purchase procurement. On average, the Company managed approximately 15 lakh litres of milk daily, highlighting its network and relationships management capability.
- EBITDA was ₹293 crore, with EBITDA margins at 8.5%, compared to ₹226 crore

and an EBITDA margin of 7.2% recorded in

- Profit after tax was ₹119 crore.compared to ₹91 crore in FY 2023-24.
- The Board of Directors recommended a dividend of ₹1.00 per equity share (face value of ₹10 each) for the year ended 31st March, 2025, amounting to approximately ₹12 crore.

#### **Distribution**

Parag has built a robust and efficient distribution network to ensure the seamless availability of its diverse portfolio across India and select international markets. Our route-to-market strategy integrates a multichannel approach, leveraging traditional

trade, modern trade, e-commerce platforms, quick commerce and institutional sales to maximize consumer reach. With a strong network of over 4,500 distributors and 4.6 lakh retail touchpoints, supported by strategically located depots and cold chain infrastructure, we ensure freshness and quality at every stage. Our direct-to-home

model for Pride of Cows and partnerships with leading modern retailers further strengthen last-mile delivery. We continue to expand our digital presence and collaborate with online marketplaces to meet evolving consumer preferences.

#### **Brand building**

Parag Milk Foods continued to strengthen its brand presence in FY 2024-25 through a series of high-impact marketing and consumer engagement initiatives.

#### Gowardhan

Strengthened brand trust and visibility through continued partnership with Kaun Banega Crorepati for third consecutive year.

Participated in High TRP show - on Sony TV- Maharashtrachi Hasya Jatra for higher visibility

Launched a new TVC showcasing our ready-to-eat sweets portfolio.

Drove strong regional engagement via Vasubaras print campaigns, connecting with consumers during key festivals.

#### Go

Released a high-impact new TVC, positioning Go Cheese as the ultimate indulgence for cheese lovers.

Executed strategic print campaigns to build mass visibility and awareness.

Impact led marketing on-screen presence with Bigg Boss Season 18 integration.

Represented the brand at Indus Food, strengthening industry relationships and expanding B2B opportunities.

#### **Pride of Cows**

Launched a premium brand film highlighting our single-origin farm-fresh milk experience.

Collaborated with Malaika Arora to reinforce luxury positioning and lifestyle appeal.

Partnered with Curly Tales to showcase an engaging farm-to-table journey and connect with discerning consumers.

#### **Avvatar**

Drove massive consumer engagement through influencer-led campaigns across digital platforms.

Participated in IHFF (International Health, Sports & Fitness Festival), enhancing brand credibility among fitness enthusiasts.

Association with MTV roadies for higher visibility and reach.



Material developments in Human Resources
 Reference: Page 44-46

2. Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios

Reference: Page 223

3. Net Worth as compared to the immediately previous financial year
Reference: Page 38

# Risk Management

#### Raw material price risk

Price volatility in raw materials, especially milk, may impact costs and margins.

**Mitigation:** Long-term supply contracts, supplier diversification, market tracking and strategic sourcing.

#### **Economic risk**

Macroeconomic factors like inflation, currency fluctuations and political changes can affect operations.

**Mitigation:** Economic monitoring, agile strategy adjustments and a diversified contract manufacturing model that ensures demand stability.

#### Contract risk

Failure to meet client expectations can result in penalties and reputational loss.

**Mitigation:** Robust quality checks, proactive communication, strong project execution and periodic audits.

# Internal control systems and their adequacy

The Company has robust internal control systems to ensure operational effectiveness, reliable financial reporting, asset safeguarding, fraud prevention and compliance with laws and regulations. These controls are tailored to the Company's size, operations and complexity. We have laid down adequate procedures and policies to guide the operations of our business. Unit and functional heads are responsible for adhering to the Company's policies and procedures. These controls are periodically tested by the Management, Statutory Auditors and Internal Auditors. M/s. Deloitte Touche Tohmatsu India LLP conducts an independent internal audit, providing assurance and identifying opportunities for business improvements. This audit aims to evaluate and enhance the effectiveness of processes, controls

#### Quality and safety risk

Non-compliance with safety protocols can damage brand credibility.

**Mitigation:** Employee training, regular audits, incident reporting systems and continuous improvement of safety practices.

# Occupational health and safety risk

Employees face risks from machinery or unsafe conditions.

**Mitigation:** Strong safety protocols, SOPs, regular reviews, emergency training and equipment maintenance.

#### Sustainability risk

Growing investor focus on ESG could affect market perception.

**Mitigation:** ESG integrated into strategy, continuous improvement, with disclosures via BRSR and ESG sections of the Integrated Annual Report.

# and governance. It helps us to accomplish our objectives by bringing a systematic and disciplined approach to evaluating and improving the effectiveness of processes, controls and governance.

The Audit Committee and Risk Management Committee review internal controls and risk management frameworks based on quarterly reports from Internal Auditors. They recommend upgrades and corrections to the internal control systems, with the Board receiving quarterly reports for review. The Company maintains a well-designed code of conduct, reviewed regularly. Prompt actions are taken in case of violations to ensure employee well-being and adherence to ethical standards.

The internal audit function operates with a risk-based annual audit plan approved by the Audit Committee. This plan uses a 10-factor risk approach to focus audits on

#### **Redundancy risk**

Evolving consumer needs require constant innovation.

**Mitigation:** Market research, trend analysis, R&D investments and agile product development.

# Compliance, regulatory and reputation risk

Legal/regulatory non-compliance can erode brand value.

**Mitigation:** Continuous legal monitoring, risk assessments, compliance training and expert legal guidance.

#### **Competition risk**

High industry competition poses growth challenges.

**Mitigation:** Competitive pricing, strong market responsiveness and a differentiated value proposition.

#### People risk

Talent acquisition and retention are critical for sustained growth.

**Mitigation:** Targeted recruitment, training, career growth opportunities and an employee-friendly culture.

key risk areas. Regular assessments are conducted to evaluate the effectiveness of Internal Financial Controls systems and ensure strong governance and risk management processes. Overall, these practices help ensure that the Company's operations are efficient, compliant and resilient against risks.

#### **Cautionary statement**

Statements in the Integrated Annual Report describing the Company's objective, expectations or forecasts may be forward looking within the meaning of applicable laws and regulations. These statements are based on current projections about operations, industry conditions, financial condition and liquidity. Those statements are not guarantees and are subject to risks, uncertainties and assumptions that are difficult to predict. Therefore, actual results could differ.

# Corporate Information

(As on May 2, 2025)

#### **BOARD OF DIRECTORS**

#### **Executive Directors**

Mr. Devendra Shah (Chairman)

Mr. Pritam Shah (Managing Director)

Ms. Akshali Shah (Executive Director)

#### **Independent Directors**

Mr. Narendra Ambwani

Ms. Radhika Dudhat

Mr. Nitin Dhavalikar

Mr. Dnyanesh Darshane

Ms. Namrata Garud\*

# Non-Executive (Non-Independent) Director

Mr. Nikhil Vora

#### **Chief Financial Officer**

Mr. Pritam Shah

(Interim Chief Financial Officer)

### Company Secretary & Compliance Officer

Mr. Virendra Varma

#### **BOARD COMMITTEES**

#### **Audit Committee**

Mr. Nitin Dhavalikar (Chairman)

Mr. Pritam Shah (Member)

Mr. Narendra Ambwani (Member)

Mr. Dnyanesh Darshane (Member)

# Nomination and Remuneration Committee

Mr. Narendra Ambwani (Chairman)

Mr. Devendra Shah (Member)

Mr. Nitin Dhavalikar (Member)

Ms. Radhika Dudhat (Member)\*\*

Ms. Namrata Garud (Member)\*

### Stakeholders Relationship Committee

Mr. Dnyanesh Darshane (Chairman)

Mr. Devendra Shah (Member)

Mr. Pritam Shah (Member)

Ms. Akshali Shah (Member)

### Corporate Social Responsibility Committee

Ms. Radhika Dudhat (Chairperson)\*\*

Mr. Devendra Shah (Member)

Mr. Narendra Ambwani (Member)\$

Ms. Akshali Shah (Member)##

Ms. Namrata Garud (Member)\*

Mr. Dnyanesh Darshane (Member)#

#### **Risk Management Committee**

Ms. Radhika Dudhat (Chairperson)\*\* Mr.

Mr. Pritam Shah (Member)

Mr. Nitin Dhavalikar (Member)

Mr. Dnyanesh Darshane (Member) #

Ms. Akshali Shah (Member)

Ms. Namrata Garud (Member)\*

#### Finance Committee

Mr. Nitin Dhavalikar (Chairman)

Mr. Devendra Shah (Member)

Mr. Pritam Shah (Member)

#### **Management Committee**

Ms. Akshali Shah (Chairperson)

Mr. Devendra Shah (Member)

Mr. Pritam Shah (Member)

#### **Management Team**

Mr. Rahul Kumar Srivastava

(Chief Operating Officer)

Mr. Ankit Jain

(Chief Strategy Officer)

#### Mr. Sachin Shah

(Head - Southern Operations)

#### Mr. Sanjay Nakra

(Head - Plant Operations, Palamaner)

#### Mr. Saniav Mishra

(Head - Plant Operations, Manchar)

#### Mr. Ajay Singh Bhadoria

(Head - Business, Fresh Division)

#### Mr. Ravindra Gupta

(Head - Production & Quality)

#### Mr. Sanjeev Jain

(Head-Exports)

#### Mr. Dhaval Pandya

(Head - Accounts & Control)

#### Ms. Vami Doshi

(Head - Business Finance)

#### Mr. Satya Dash

(Head-IT)

#### Mr. Chandrakant Kamane

(Head-HR)

#### Mr. Anirban Roy

(Head-Supply Chain & Procurement)

#### **Investor Desk**

#### Mr. Brian D'Penha

(Head-Investor Relations)

#### **Corporate Communications**

#### Ms. Pournima Surve

(Head - Corporate Communication and Public Relations)

#### **Statutory Auditor**

#### M/s. Sharp & Tannan,

Chartered Accountants

(Firm's Registration No. 109982W)

#### **Internal Auditor**

#### $\hbox{M/s. Deloitte Touche Tohmatsu India LLP}$

(LLP identification No. AAE-8458)

#### **Secretarial Auditor**

#### M/s. N. L. Bhatia & Associates,

Company Secretaries (UIN: P1996MH055800)

#### **Cost Auditor**

#### Harshad S. Deshpande & Associates,

Cost Accountants

(Firm's Registration No. 00378)

#### **Bankers**

Union Bank of India

Punjab National Bank

Karnataka Bank

SVC Co-Operative Bank

# REGISTRAR & TRANSFER AGENT

#### KFIN Technologies Limited

Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500 032, Telangana Email id -einward.ris@kfintech.com

#### **PLANT LOCATIONS**

#### **Manchar Plant**

Awasari Phata, Post Manchar, Tal. Ambegoan, Dist. Pune - 410 503, Maharashtra

#### **Palamaner Plant**

149-1, Samudrapalli Village, Post -Pengaragunta, Palamaner Mandal, District - Chittor - 517 408, Andhra Pradesh

#### **Sonipat Plant**

Plot No. 2266-2268, Food Park, Phase-2, HSIIDC Industrial Estate-Rai, Sonipat - 131 029, Haryana

#### **REGISTERED OFFICE**

Flat No.1, Plot No.19, Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar, Pune - 411 016

#### **CORPORATE OFFICE**

10<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai - 400 021

\*\*Ms. Akshali Shah recategorized as Chairperson of the CSR Committee w.e.f. May 2, 2025

Mr. Narendra Ambwani ceased to be Member of CSR Committee w.e.f. May 2, 2025

<sup>\*</sup>Ms. Namrata Garud inducted as an Additional Non-Executive Independent Director on the Board & also inducted as Member of Nomination & Remuneration Committee (NRC), Risk Management Committee (RMC) and Corporate Social Responsibility (CSR) Committee wef. May 2, 2025

<sup>\*\*</sup>Ms. Radhika Dudhat ceased as Member of NRC, RMC and CSR Committee w.e.f. May 2, 2025

<sup>\*</sup>Mr. Dnyanesh Darshane re-categorized as Chairman of RMC and inducted as Member of CSR Committee w.e.f. May 2, 2025

### **BOARD'S REPORT**

Dear Members,

The Board of Directors of your Company ('Board') is pleased to share with the valued stakeholders the Integrated Annual Report for financial year 2024-2025 ('Integrated Annual Report') 'Annual Report') comprising of Audited Standalone and Consolidated Financial Statements of Parag Milk Foods Limited ('Parag' or 'Company' or 'Your Company') for the financial year ('FY') ended March 31, 2025. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

In Compliance with the applicable provision of the Companies Act, 2013 ('Act') and the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), this Board's Report is prepared based on the financial statements of the Company for the year under review, with respect to the Company and its subsidiary companies. The consolidated entity has been referred to as 'Parag Group' or 'Group' in this report.

#### **OVERVIEW OF FINANCIAL PERFORMANCE**

Key highlights of Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2025, are summarized as under:

(₹in Crore)

Doublesslave	Standalone		Consolidated	
Particulars	FY 2024-25	FY 2023-24	FY 2024-25	FY 2023-24
Revenue from Operations	3,367.40	3,089.83	3,432.21	3,138.70
Other Income	26.60	8.56	40.25	25.01
Total Income	3,394.00	3,098.39	3,472.46	3,163.71
Earnings before Depreciation, Finance Costs, Exceptional Items and Taxation	279.59	210.14	292.93	225.51
Less:- Depreciation and Amortisation Expense	59.68	55.71	67.22	60.25
Less:- Finance Costs	85.07	71.57	93.12	79.40
Profit before Tax and Exceptional Items	134.84	82.86	132.59	85.86
Exceptional Items	-	-	-	-
Profit / (Loss) before Tax	134.84	82.86	132.59	85.86
Less:- Tax expense				
(1) Current Tax:	-	-	-	-
(2) MAT (Credit) / Reversal	-	-	-1.19	0.82
(3) Deferred Tax:	11.30	-9.09	14.99	-5.55
(4) Tax adjustment in respect of earlier years	-	-	-	-
Profit for the Year After Tax	123.54	91.95	118.79	90.59
Earnings per Share				
Basic	10.36	7.83	9.97	7.71
Diluted	9.89	7.58	9.51	7.47

Note: Due to rounding off, numbers presented in the above table may not add up precisely to the totals provided in Financial Statements.

# FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

#### Standalone

At Standalone level, the total Revenue from operations for FY 2024-25 increased by 8.98% to ₹3,367.40 Crore against ₹3,089.83 Crore in the Previous Year 2023-24. The Standalone Profit Before Tax for FY 2024-25 increased to ₹134.84 Crore against ₹82.86 Crore in the Previous Year 2023-24. The Standalone Profit after Tax for FY 2024-25 increased to ₹123.54 Crore against ₹91.95 Crore reported in the Previous Year 2023-24. The Operations and Financial Results of the Company are further

elaborated in the Management Discussion and Analysis Report, which forms part of the Integrated Annual Report.

#### Consolidated

Consolidated Revenue from Operations for FY 2024-25 stood at ₹3,432.21 Crore reporting a growth of 9.35% as compared to ₹3,138.70 Crore in FY 2023-24, driven by improvement in core categories of mainly Ghee, Cheese and Paneer which have witnessed a volume growth of 17% for FY 2024-25. The Consolidated Profit Before Tax for FY 2024-25 increased to ₹132.59 Crore from ₹85.86 Crore in the Previous Year 2023-24.

The Consolidated Profit After Tax for FY 2024-25 stood at ₹118.79 Crore as compared to ₹90.59 Crore in the Previous Year 2023-24.

#### PERFORMANCE ANALYSIS, BUSINESS OUTLOOK **AND HIGHLIGHTS**

Parag demonstrated a robust performance in FY 2024-25, with a 10% year-on-year volume growth, driven by strong momentum in its core dairy categories-Ghee, Cheese and Paneer which collectively recorded 17% growth during the year.

Despite ongoing fluctuations in milk procurement prices, the Company effectively optimized its cost structure and improved Gross Profit Margins by 130 basis points, reaching 25.8%, supported by premium product mix, operational efficiency and strategic pricing.

According to the IMARC Report 2024:

- Gowardhan Ghee maintained its leadership in the branded cow ghee segment with a 22% market share.
- Go Cheese continued as the second-largest cheese brand in India, with a 35% share, reflecting consumer trust and category strength.

New-Age Business Growth:

- Avvatar (Parag's performance nutrition brand) recorded significant growth, strengthening its leadership in India's sports and active nutrition category through innovation and clean-label offerings.
- Pride of Cows expanded its product range and deepened its reach through quick commerce platforms and premium retail, accelerating the Company's premiumization strategy.

Company-wide growth was further supported by ongoing investments in distribution and channel expansion, reinforcing presence across general trade, modern retail and digital commerce.

#### INNOVATION AND PRODUCT EXPANSION

The year was marked by strategic innovation across all brands, aligned with evolving consumer demand for nutritious, indulgent and functional foods. Key launches included:

- Gowardhan: Crunchy Chikki (Sesame and Peanut) made with pure cow ghee - offering a wholesome, nostalgic snack.
- Go: Fruit Yogurt a vibrant, on-the-go product that blends taste and nutrition for urban consumers.
- Pride of Cows: Low-Fat High-Protein Paneer, Greek Yogurt and Bocconcini - all designed for health-conscious, premium consumers.
- Avvatar: High-protein bars (Chocolate and Coffee Wafer)a clean-label snacking innovation aimed at fitnessfocused individuals.

#### **BRAND BUILDING AND MARKETING INITIATIVES**

Parag elevated its brand strategy through a holistic, multichannel approach to storytelling, product visibility and consumer engagement. The goal is to position the Company not just as a dairy provider but as a partner in health, taste and lifestyle.

#### **Multi-Platform Campaigns and Media Integrations**

To drive top-of-mind recall, the Company executed strategic brand integrations on national and regional platforms:

- Go Cheese partnered with Bigg Boss under the campaign "Har Tasty Cheese, Mein Go Cheese", reaching a wide consumer base.
- Presence across Kaun Banega Crorepati, MTV Roadies and Maharashtrachi Hasya Jatra enhanced emotional connection with Hindi and regional viewers.
- Branded content initiatives included Chef Ajay Chopra for Go Cheese, a Curly Tales special with Kamiya Jani for Pride of Cows and YouTube chef collaborations for Avvatar-positioning the brands as lifestyle companions.

#### 2. Influencer and Creator Collaborations

- Avvatar Performance Whey was launched with over 100+ fitness and lifestyle influencers, spotlighting India's 80% protein deficiency and building credibility as a homegrown, science-backed alternative to global brands.
- Pride of Cows received organic amplification from premium lifestyle bloggers and chefs, boosting brand perception among affluent urban consumers.
- Gowardhan Ghee's purity was emphasized through influencer conversations amidst rising concerns over food adulteration, reinforcing trust and transparency.

#### 3. Launch Communication and Product Campaigns

Each new product launch was accompanied by tailored campaigns:

- Go Fruit Yogurt: "Taste Meets Nutrition-positioning the product as a nutritious indulgence for busy urban families.
- Gowardhan Chikki: Presented as a healthy festive treat. rooted in tradition yet modern in convenience.
- Pride of Cows: Focused on clean-label, high-protein, single-origin dairy options for discerning consumers.
- Avvatar Protein Bars: Launched with a digital-first campaign under "Snack Strong", merging convenience, performance and flavor.

#### 4. On-Ground and Trade Activation

To support retail conversion and in-store traction:

- Go Cheese conducted sampling and bundling in modern trade, timed around festive seasons and cricket events.
- Pride of Cows ran tasting sessions in premium housing societies and cafés, reinforcing its boutique, highquality identity.
- Recipe contests and chef events were organized for Avvatar and Go Cheese, engaging culinary communities and fitness enthusiasts alike.

#### **Sharpened Brand Positioning**

Each brand further refined its voice and identity:

- Gowardhan leaned into its "Garv se Gowardhan" positioning, reflecting purity, trust and traditionespecially relevant during the festive period.
- Go Cheese emphasized innovation, variety and fun targeting families and young adults.
- Pride of Cows reinforced its single-origin, with elevated packaging and messaging.
- Avvatar strengthened its leadership as India's own performance nutrition brand, rooted in clean ingredients, functional benefits and transparent labeling.

Together, these initiatives solidified Parag's positioning as a future-ready dairy and nutrition powerhouse, committed to meeting modern lifestyle needs while staying true to its roots in purity, health and trust.

#### EXPANSION/INCORPORPATION OF SUBSIDIARY

The Company is expanding its wholly owned subsidiary ('WOS'), Bhagyalakshmi Dairy Farms Private Limited ('Bhagyalaxmi'), which supplies exclusively to our brand "Pride of Cows" and is expected to reach about 15,000 cows in coming five years.

The Company has incorporated a wholly owned foreign subsidiary in Dubai, UAE, named Parag Milk Foods Middle East FZE to expand its reach and build seamless supply chain operations worldwide to cater the international market.

#### **REVIEW OF OPERATIONS**

The details of review of operations are elaborated in the Management Discussion and Analysis, which forms part of the Integrated Annual Report.

#### **BRAND BUILDING: STRATEGY**

The Company's foremost strategic priority is to be one of the best performing, most trusted and respected dairy FMCG Companies across stakeholders and become a global nutrition provider that emphasizes health and nutrition to consumers through quality and innovation.

#### **EXPORT MARKET**

The Company continues to enjoy its presence and brand recall of Go and Gowardhan brands across several geographies through its exports to UAE, Singapore, Mauritius, Oman, Kuwait, Bahrain, Hong Kong, Philippines, Sri Lanka, Bangladesh, Maldives, Indonesia, Malaysia, USA, Nepal, Bhutan etc. It had also started expanding its reach in UK, Germany and other European countries through Sweet export. Our export sales has contributed 2.68% to the overall revenues.

#### PHILANTHROPIC ACTIVITIES

The company has actively contributed to philanthropic efforts benefiting the broader community, with continued focus in the following areas:

- Promotion of education
- Animal health and social welfare
- Rural Development

#### **DIVIDEND AND RESERVES**

#### **Policy on Dividend Distribution**

The Company has adopted Dividend Distribution Policy in terms of the requirements of Regulation 43A of the Listing Regulations and any amendments thereto for bringing transparency in the matter of declaration of dividend and for protecting the interest of investors.

The Company intends to maintain similar or better levels of dividend payout in future. However, the actual dividend payout in each year will be based on the profits and investment opportunities of the Company.

The policy is available on the website of the Company at https://www.paragmilkfoods.com/policy.php?id=52

#### **Dividend**

The Board at its Meeting held on May 2, 2025, recommended a final dividend of ₹1 per equity share i.e. 10% of face value of ₹10 each for the financial year ended March 31, 2025, subject to approval of the shareholders at the ensuing 33<sup>rd</sup> Annual General Meeting ('AGM').

If approved, the dividend would result in a cash outflow of ₹11.94 Crore payable to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the Depositories as on the Cut-off / Record Date. The total dividend payout works out to 9.66% of the Company's standalone net profit. In view of the amendment in the Income Tax Act, 1961 through the Finance Act, 2020, imposition of Dividend Distribution Tax (DDT) has been abolished. The dividend, if declared, at the ensuing AGM will be taxable in the hands of the Members of the Company and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

The Dividend declared/recommended is in accordance with the Company's Dividend Distribution Policy, which has been disclosed on the Company's website, www.paragmilkfoods.com, as required under Regulation 43A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

#### **Unclaimed dividends**

Details of outstanding and unclaimed dividends previously declared and paid by the Company are elaborated in the Corporate Governance Report, which forms part of the Integrated Annual Report.

#### **Transfer to Reserve**

During FY 2024-25, there was no amount proposed to be transferred to the Reserves.

#### **SHARE CAPITAL**

During FY 2024-25, the Authorised Share Capital of the Company is ₹200 Crore divided into 20 Crore Equity Shares of Face Value of ₹10 each.

Further, Paid-up Equity Share Capital is ₹119.38 Crore.

#### MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY

Strong investor confidence was reflected in the recent ₹161 Crore capital raise (April 2025) via convertible share warrants. The round included participation from the prominent investors, Mr. Utpal Sheth and senior company leadership. Funds will be used to optimize debt, strengthen working capital and support strategic growth.

Except for the above-mentioned issuance, there have been no such material changes or commitments that have affected the financial position of the Company between the close of FY 2024-25 and the date of signing of this report.

There has been no change in the nature of the business of your Company.

#### SUBSIDIARIES. **ASSOCIATES** AND **JOINT VENTURES**

The Company has two Wholly Owned Subsidiaries namely Bhagyalaxmi Dairy Farms Private Limited and Parag Foods Middle East FZE as on March 31, 2025. There were no material changes in the nature of the business of the subsidiaries. During FY 2024-25, Parag Foods Middle East FZE was incorporated as wholly owned foreign subsidiary of the Company. The Company does not have any associate company, nor has it entered into a joint venture with any other company.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing salient features of financial statements of the Company's Subsidiaries in Form AOC-1, is enclosed as Annexure I to this report.

Pursuant to Listing Regulations, the Company has formulated a policy for determining its 'material subsidiaries' and the same can be accessed on the Company's website at https://www. paragmilkfoods.com/policy.php?id=13.

#### Performance highlights of the Bhagyalaxmi Dairy Farms Private Limited for FY 2024-25 is given below:

(₹in Crore)

Sr. No.	Particulars	FY 2024-25	FY 2023-24
1.	Total Revenue	142.10	116.20
2.	Profit before Interest, Tax and Depreciation	(2.24)	4.47
3.	Profit after Tax	(4.74)	0.11

Note: Performance highlights pertaining to Parag Foods Middle East FZE has not been included, as the entity is yet to commence its operations.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

Pursuant to the provisions of Section 129 of the Act and the Companies (Accounts) Rules, 2014, the Consolidated Financial Statements of the Company and its subsidiary have been prepared in the same form and manner as mandated by Schedule III to the Act and shall be laid before the forthcoming 33rd AGM of the Company.

The Audited / Unaudited Financial Results of the Company as submitted with Stock Exchanges and Financial Statements of subsidiary are available under the 'Financial Performance' tab under Investors section on the website of the Company at www. paragmilkfoods.com. Further a copy of the Audited Financial Statements of the subsidiary shall be made available for inspection at the registered office of the Company during business hours on any working day upto the date of AGM. According to Section 136 of the Companies Act, 2013, any shareholder interested in obtaining a copy of separate Financial Statements of the subsidiary shall make a specific request in writing to the Company Secretary at investors@parag.com.

#### **CREDIT RATING**

During FY 2024-25, ICRA Limited, on April 8, 2024, reaffirmed the credit rating previously assigned to the Company on May 8, 2023, as disclosed in the previous annual report of the Company for FY 2023-24.

In addition to the above credit rating, the Company obtained a credit rating from India Ratings and Research Pvt. Ltd. The same can be accessed on the Company's website at https://www.paragmilkfoods.com/parag\_uploads/images/ pdfs/4hduZP4PdT0XI4O20ola.pdf.

Subsequent to FY 2024-25, following the issuance of convertible warrants on preferential basis by the Company, ICRA Limited issued a revised credit rating report on the debt instruments of the Company and simultaneously it withdrew the ratings on Company's bank facilities at the request of the Company and based on NOCs received from the lenders and in accordance with the ICRA's policy on withdrawal. The same can be accessed on Company's website at https://www.paragmilkfoods.com/parag\_ uploads/images/pdfs/BfsDgyiNrtdDSadFSRQF.pdf.

#### **BOARD OF DIRECTORS**

During the year under review, the composition of the Board consists of 8 Directors comprising of 4 Independent Directors, 1 Non-Executive Director and 3 Executive Directors, details thereof are elaborated in the Corporate Governance Report, which forms part of the Integrated Annual Report.

In terms of the requirement of the Listing Regulations, the Board has identified core skills, expertise and competencies of the Directors in the context of the Company's businesses for effective functioning. The list of key skills, expertise and core competencies of the Board are elaborated in the Corporate Governance Report, which forms part of the Integrated Annual Report.

In the opinion of the Board, all the directors, possess the requisite qualifications, experience and expertise and hold high standards of integrity.

#### Appointment / Re-appointment of Directors:

At the 32<sup>nd</sup> AGM held during FY 2024-25, Mr. Nikhil Vora whose term was liable to retire by rotation, was re-appointed pursuant to provisions of the Act. Other than this, no appointment / reappointment of Directors were made during FY 2024-25.

In terms of the provisions of the Companies Act, 2013, Ms. Akshali Shah, Executive Director of the Company, retires by rotation at the ensuing AGM and being eligible, offers herself for re-appointment. A resolution seeking the re-appointment of Ms. Shah, forms part of the Notice convening the ensuing AGM. The profile along with other details of Ms. Shah is provided in the annexure to the Notice of the AGM.

### Changes in the Board subsequent to financial year ended March 31, 2025:

#### **Appointments:**

The Board at its meeting held on May 2, 2025 had appointed Ms. Namrata Garud as an Additional Non-Executive Independent Director with effect from May 2, 2025.

#### **Cessations:**

Mr. Narendra Ambwani, Ms. Radhika Dudhat would cease to be the Independent Directors of the Company with effect from May 26, 2025 and Mr. Nitin Dhavalikar would cease to be the Independent Directors of the Company with effect from July 27, 2025 due to completion of their term of appointment of 10 (Ten) consecutive years.

The Board places on record its sincere appreciation to the outgoing directors viz. Mr. Narendra Ambwani, Ms. Radhika Dudhat and Mr. Nitin Dhavalikar for their leadership, guidance and invaluable contributions made over the years.

#### **Declarations by Independent Directors:**

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. In the opinion of the Board, the Independent Directors fulfill the conditions of independence specified in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations. The Independent Directors have also confirmed that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and Company's Code of Conduct for Directors and Senior Management Personnel. The Independent Directors of the Company have confirmed that they have registered their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

In the opinion of the Board, there has been no change in the circumstances which may affect their status as Independent Director of the Company and the Board is satisfied with the integrity, expertise and experience (including proficiency in terms of Section 150(1) of the Act and applicable rules thereunder) of all Independent Directors on the Board.

#### **KEY MANAGERIAL PERSONNEL**

Pursuant to the provisions of Section 2(51) and Section 203 of the Act read with Rules framed thereunder, the followings are the Key Managerial Personnel of the Company as on March 31, 2025:

1.	Mr. Devendra Shah	-	Chairman an	d Whole time Dire	ector
2.	Mr. Pritam Shah	-	Managing Dir Financial Offi	rector and Interimicer (CFO)	n Chief
3.	Ms. Akshali Shah	-	Executive Dir	rector	
4.	Mr. Virendra Varma	-	Company Compliance	,	and

### MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of the Company met 4 (four) times during FY 2024-25. The details of composition of the Board and its Committees, their Meetings held during FY 2024-25 and the attendance of the Directors / Committee Members at the respective Meetings are elaborated in the Corporate Governance Report, which forms part of the Integrated Annual Report.

The Board evaluates the recommendations made by the Audit Committee and seeks further information as they may require. During the year under review, the Board accepted all the recommendations made by the Audit Committee.

#### Committees of the Board

The Board has the following Committees as on March 31, 2025:

- (1) Audit Committee
- (2) Nomination and Remuneration Committee ('NRC')
- (3) Stakeholders' Relationship Committee
- (4) Corporate Social Responsibility ('CSR') Committee
- (5) Risk Management Committee ('RMC')
- (6) Finance Committee
- (7) Management Committee

The details of the Committees along with their composition, number of Meetings held and attendance at the Meetings are elaborated in the Corporate Governance Report, which forms part of the Integrated Annual Report.

#### **AUDIT COMMITTEE**

The details pertaining to the composition of the Audit Committee are included in the Corporate Governance Report, which forms part of the Integrated Annual Report.

#### **BOARD EVALUATION**

Pursuant to the provisions of the Act and Regulation 17(10) of Listing Regulations and as prescribed in the stated policy of the Board, the Board has carried out an annual performance evaluation of (i) the Directors (Independent and non-Independent); (ii) Board itself (as a whole); (iii) Committees and (iv) fulfillment of Independence criteria. The Board performance was evaluated based on inputs received from the Board Members after considering criteria such as Board composition and structure, effectiveness of Board / Committee processes and information provided to the Board etc. The evaluation process at the Company is conducted through structured questionnaires which

covers various aspects of the Board's functioning prepared after circulating the draft forms, covering various aspects such as structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board processes, among others.

The performance of the Executive Chairman was evaluated after seeking the inputs from all the Directors other than the Chairman on the basis of the criteria such as Chairman competency, value addition, leadership qualities, ease of communication, risk handling and mitigation, stakeholder relationship, personal attributes etc.

In terms of the requirements of the Act, a separate Meeting of the Independent Directors was held during the year. The Independent Directors at their Meeting held on March 18, 2025 reviewed the performance of the Chairman, Non-Independent Directors of the Company and overall performance of the Board and Committees as mandated by Schedule IV of the Act and Listing Regulations.

Following the above evaluation carried out at the Independent Directors' meeting, the Board and NRC at its meetings held on May 2, 2025 discussed the performance of the Board, its Committees, and Individual Directors. Performance evaluation of Independent Directors was done by the entire Board, excluding the Individual Director being evaluated.

The Company also acted on feedback received from the previous year's evaluation process. For more details on the Board Evaluation Process, please refer the 'Performance Evaluation' section in the Corporate Governance Report, which forms part of the Integrated Annual Report.

#### **Familiarisation Programme for Independent Directors**

All Independent Directors are familiarised with the operations and functioning of the Company at the time of their appointment and on an ongoing basis. The Company already has an elaborate familiarization programme in place for effective induction of Independent Directors. The Board acknowledged this and reiterated the importance of rigorous execution of the induction process to ensure a smooth transfer and seamless integration of the new Board Member.

The Board is regularly briefed on relevant legal and regulatory matters, emerging geo-political and macro-economic scenarios, governance developments or changes, best practice developments and other risk factors, etc.

Pursuant to Regulation 25(7) and 46 of the SEBI Listing Regulations, the details of the familiarisation programme imparted to the Directors are elaborated in the Corporate Governance Report, which forms part of the Integrated Annual Report and are also available on the Company's website i.e. www.paragmilkfoods. com under 'Investors' tab.

#### Policy on Appointment and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel

The Board has formulated a Nomination and Remuneration Policy in terms of the provisions of sub-section (3) of Section 178 of the Act and Regulation 19 of the Listing Regulations dealing

with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

The policy covers criteria for determining qualifications, positive attributes, independence and remuneration of its Directors, Key Managerial Personnel and Senior Management Personnel.

The Nomination and Remuneration Policy is available on the website of the Company and the web-link of the same is https:// www.paragmilkfoods.com/policy.php?id=38

#### DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by the Management and the relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during FY 2024-25.

Pursuant to the requirements under Section 134(3)(c) of the Act with respect to the Directors' Responsibility Statements, your Directors make the following statements:

- that in the preparation of the annual financial statements for the Financial Year ended March 31, 2025, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for the Financial Year ended March 31, 2025;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the directors have prepared the annual financial statements for the Financial Year ended March 31, 2025 on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

#### DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

There has been no change in the Employee Stock Option Scheme (ESOP scheme) during the current financial year.

Information as required under Regulation 14 read with Part F of Schedule I of the SEBI (Share Based Employee Benefits and Sweat Equity) ('SBEB') Regulations, 2021, has been uploaded on the Company's website and can be accessed under 'Annual Reports' tab at https://www.paragmilkfoods.com/investors.php.

A certificate received from M/s. N. L. Bhatia and Associates, Secretarial Auditors of the Company, confirms that the ESOP Scheme of the Company is in compliance with the SBEB Regulations and that the Company has complied with the provisions of the Act.

### INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of its operations and such internal financial controls concerning the Financial Statements are adequate. The Audit Committee comprises of professionally qualified Directors, who interact with the statutory auditors, internal auditors and management in dealing with matters.

Internal Financial Control is an integrated part of the risk management process which in turn is a part of Corporate Governance addressing financial reporting risks. The Internal Financial Controls have been documented and embedded in the business processes. Your Company's approach on Corporate Governance is elaborated in the Corporate Governance Report, which forms part of the Integrated Annual Report.

The Board reviews the internal processes, systems and the internal financial controls and accordingly, the Directors' Responsibility Statement contains confirmation as regards to adequacy of the internal financial controls.

Assurances on the effectiveness of Internal Financial Controls are obtained through management reviews, self-assessment, continuous monitoring by departmental heads as well as testing of the internal financial control systems by the internal auditors during the course of their audits.

The Audit Committee and the Board are of the opinion that the Company has sound Internal Financial Control and it is operating effectively and no material weaknesses exist during FY 2024-25. The details with respect of internal financial control and their adequacy are elaborated in the Management Discussion and Analysis, which forms part of the Integrated Annual Report.

#### **RISK MANAGEMENT GOVERNANCE**

The Board has an overall responsibility for governance of Company's risk management.

The Board approves the Company's risk policies and oversees management in the designing, implementation and monitoring of risk management systems. It also has the authority to approve any deviation in risk management policies or any breach of risk limits.

The Risk Management Committee constituted by the Board assists the Board inmonitoring and reviewing the risk management for business operations, implementation of the risk management framework of the Company and such other functions as Board may deem fit.

The Risk Management Framework covers all the Key Categories for Risk Classification i.e. Strategic and Reputational Risks, Financial and Fraud Risks, Governance and Compliance Risks, Extended Enterprise Risks, Cyber Risk and Information Security and Operational Risks, etc.

During the year under review, Deloitte, the Internal Auditors of the Company, addressed the top key risks relevant to the Company and has also supported in the implementation of its Risk Management Policy of the Company. The risk identified are being systematically addressed through mitigating actions on an ongoing basis.

The detailed terms of reference and the composition of RMC are set out in the Corporate Governance Report, which forms part of the Annual Report.

#### **VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company promotes ethical behaviour in all its business activities and is in line with the best governance practices. The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for employees, Directors and stakeholders in confirmation with the provisions of Section 177(9) of the Act and Regulation 22 of SEBI Listing Regulations, to report concerns about unethical behaviour.

The Company did not receive any complaints from the employees regarding violation of Code of Conduct or other matters during the year under review.

The functioning process of this mechanism has been more elaborately mentioned in the Corporate Governance Report forming a part of the Integrated Annual Report. The Whistle Blower Policy can be accessed on the Company's website at https://www.paragmilkfoods.com/policy.php?id=42

#### **CORPORATE SOCIAL RESPONSIBILITY**

The Company has constituted a Corporate Social Responsibility Committee and details of the composition are given separately in the Corporate Governance Report, which forms part of the Integrated Annual Report. The Company has undertaken the CSR activities in accordance with the CSR Policy of the Company adopted in accordance with Schedule VII of the Act. The Company's CSR Policy can be accessed on the Company's website at https://www.paragmilkfoods.com/policy.php?id=53.

The brief outline of the CSR Philosophy, CSR policy, salient features of and the initiatives undertaken by the Company on CSR activities during the year under review are set out in this report in the format prescribed under Rule 9 of Companies (Corporate Social Responsibility Policy) Rules, 2014 under Annexure II to this Report.

#### RELATED PARTY TRANSACTIONS

During the year under review, all transactions that were entered into with the related parties were in ordinary course of business and at arms' length basis with prior Audit Committee approval. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act w.r.t. contracts or arrangements with related parties under Section

188(1) in Form AOC-2 is not applicable to the Company for FY 2024- 25 and hence, the same is not provided. The details of the transactions with related parties during FY 2024-25 are provided in the accompanying financial statements. There were no materially significant related party transactions entered into by the Company with the promoters, key management personnel or other designated persons that may have potential conflict with the interests of the Company at large.

The Audit Committee grants omnibus approval for the transactions that are in the ordinary course of business and repetitive in nature. For other transactions, the Company obtains specific approval of the Audit Committee before entering into any such transactions. All related party transactions are placed before the Audit Committee on a quarterly basis. The same are also placed before the Board for seeking their approval.

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at https://www.paragmilkfoods.com/policy.php?id=40.

### PARTICULARS OF LOANS, GUARANTEE AND INVESTMENTS BY THE COMPANY

The loans given, investments made, guarantees given and securities provided during the year under review are in compliance with the provisions of Section 186 of the Act and the Rules thereunder and the details are provided in the Note No 6 and 7 to the Standalone Financial Statements, which forms part of the Integrated Annual Report.

#### **BUY BACK**

The Company has not bought back any of its securities during the Financial Year ended March 31, 2025.

#### **DEPOSITS FROM PUBLIC**

The Company has not accepted any deposits from the public within the meaning of Sections 73 and 74 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014, as amended, during the year under review.

No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2025.

### PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act') and the rules made thereunder, the Company has adopted a Policy (Prevention of Sexual Harassment Policy a.k.a POSH Policy).

To build awareness on the subject, the Company has been carrying out online Induction/ refresher programmes on a periodical basis. All employees (permanent, contractual, temporary, trainees) are covered under this Policy. As per the requirement of the POSH Act and Rules made thereunder, the Company has constituted Internal Complaint Committee(s) to redress complaints received regarding sexual harassment. All employees are covered under this Policy. Following is a summary

of sexual harassment complaints received and disposed off during the year under review:

No. of complaints received : NIL
 No. of complaints disposed off : NIL
 No. of complaints pending : NIL

# MANAGEMENT DISCUSSION AND ANALYSIS, CORPORATE GOVERNANCE REPORT AND BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In terms of Regulation 34 of SEBI Listing Regulations, a separate section on Management Discussion and Analysis, Business Responsibility and Sustainability Report and Corporate Governance Report together with a certificate from a Practicing Company Secretary confirming compliance with the Regulations relating to Corporate Governance of Listing Regulations are set out and forms part of the Integrated Annual Report.

# CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTFLOW

The Company is continuously making efforts to reduce and optimize the energy consumption at its manufacturing facilities/ offices all over India. Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in the prescribed format and are annexed as Annexure III and forms an integral part of this Report.

#### **ANNUAL RETURN**

Pursuant to Section 134(3)(a) of the Act, the Annual Return of the Company prepared as per Section 92(3) of the Act for the financial year ended March 31, 2025, is available on the Company's website and can be accessed under 'Annual Reports' tab at https://www.paragmilkfoods.com/investors.php.

In terms of Rules 11 and 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return shall be filed with the Registrar of Companies, within prescribed timelines.

### PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The ratio of remuneration of each Director to the median employees' remuneration as per Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are annexed as Annexure IV and forms an integral part of this Report.

In terms of the provisions of Section 197(12) of the Act, read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of employees drawing remuneration in excess of the limits set out in the said rules are provided in this Integrated Annual Report. In terms of Section 136 of the Act, this report is being sent to the Members and others entitled thereto, excluding the aforesaid annexure. Any Member

desirous of obtaining a copy of the said annexure may write to the Company Secretary at investors@parag.com.

Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing details prescribed under rule 5(3) of the said rules, which form part of the Directors' Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.

#### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

During the year under review, there were no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.

#### **COMPLIANCE WITH SECRETARIAL STANDARDS**

During the year under review and in terms of Section 118(10) of the Act, the Company has complied with Secretarial Standards on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) as amended and issued from time to time by the Institute of Company Secretaries of India.

#### **AUDITORS**

#### **Statutory Auditors**

At the 28<sup>th</sup> AGM held on September 29, 2020, the Members approved appointment of M/s. Sharp and Tannan, Chartered Accountants, Mumbai (Firm Registration No.109982W), as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of the 28<sup>th</sup> AGM till the conclusion of the ensuing 33<sup>rd</sup> AGM.

The Board, based on the recommendation of Audit Committee, has proposed re-appointment of M/s. Sharp and Tannan, Statutory Auditor for another period of 5 years as their current tenure is valid upto the ensuing AGM. Accordingly, a resolution seeking members' approval for the re-appointment of M/s. Sharp and Tannan as the Statutory Auditor of the Company forms part of the Notice of the ensuing AGM.

As required under Regulation 33(1)(d) of Listing Regulations, M/s. Sharp and Tannan, have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India. The Statutory Auditors have further confirmed that they are not disqualified from continuing as auditors of the Company.

The Auditor's Report for the financial year ended March 31, 2025 on the financial statements of the Company forms part of the Integrated Annual Report. The said report was issued by the Statutory Auditor with an unmodified opinion and does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Act and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

#### **Internal Auditors**

Pursuant to provisions of Section 138 of the Companies Act, 2013 and the rules made thereunder, on the recommendation of the Audit Committee, the Board at its Meeting held on August 5, 2023 appointed M/s. Deloitte Touche Tohmatsu India LLP, as Internal Auditors of the Company for FY 2023-24 and FY 2024-25.

At the beginning of each Financial Year, an audit plan is rolled out after approval of the Audit Committee. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems in the Company and compliance thereof with the same as well as robustness of internal processes, policies and accounting procedures and compliance with laws and regulations. Based on the reports of internal auditor, the functional heads undertake corrective action in their respective areas.

#### **Cost Auditors**

In accordance with Section 148 of the Act, the Company is required to maintain the accounts and cost records. It is hereby confirmed that the Company has maintained the cost records pursuant to provisions of the said section and accordingly such accounts and records are prepared and maintained by the Company.

Further, as per the requirements of Section 148 of the Act read with Rule 14 of the Companies (Cost Records and Audit) Rules, 2014, the cost records are required to be audited by a qualified Cost Accountant. During FY 2024-25, the Company filed the Cost Audit Report for FY 2023-24 issued by M/s. Harshad Deshpande and Associates, Cost Accountants, Pune (Firm Registration Number: 00378) with the Ministry of Corporate Affairs on August 21, 2024 which did not contain any qualification, reservation, adverse remark or disclaimer. No frauds were reported by the Cost Auditors to the Company in the said Report under sub-section (12) of Section 143 of the Act. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

The Board, upon the recommendation of the Audit Committee, has re-appointed M/s. Harshad Deshpande and Associates, Cost Accountants, Pune (Firm Registration Number: 00378) to conduct audit of the cost records of the Company for FY 2025-26. Accordingly, the Board of Directors recommends to the Members the resolution seeking their approval for ratifying the remuneration payable to the Cost Auditors for FY 2025-26, is provided in the Notice of the ensuing AGM.

#### **Secretarial Auditor**

The Secretarial Audit Report for FY 2024-25 in Form MR-3 is annexed as Annexure V and forms an integral part of this Report. The said Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks and no frauds were reported by the Secretarial Auditors to the Company under sub-section (12) of Section 143 of the Act therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

In compliance with Regulation 24A of the SEBI Listing Regulations and Section 204 of the Act, the Board at its meeting held on May 2, 2025, has approved the appointment of M/s. N. L. Bhatia and Associates, Practicing Company Secretaries (UIN:

P1996MH055800) as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members' at the ensuing AGM. Accordingly, a resolution seeking Members' approval for the re-appointment of M/s. N. L. Bhatia and Associates as the Secretarial Auditor of the Company forms part of the Notice of the ensuing AGM.

#### **OTHER DISCLOSURES**

No application has been made under the Insolvency and Bankruptcy Code, 2016. Hence, the requirement to disclose

- the details of the application made or any proceeding pending under the said Code during the year along with their status as at the end of the financial year is not applicable.
- The requirement to disclose the details of the difference between the amount of the valuation done at the time of one-time settlement and the valuation done while taking a loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.
- No shares with differential voting rights and sweat equity shares have been issued during the year under review.

#### COMPARISON OF SHAREHOLDING DATA AS AT THE END OF FY 2024-25 AND PREVIOUS FY 2023-24

Sr.	Category	As on Marc	h 31, 2025	As on Marc	h 31, 2024	Change
No.		No. of shares held	% of share holding	No. of shares held	% of share holding	%
Α	Promoters and Promoter Group Holding:					
1	Indian					
	Individual	5,08,61,435	42.61%	5,08,61,435	42.61%	-
-	Bodies corporate	-	-	-	-	
	Sub-total	5,08,61,435	42.61%	5,08,61,435	42.61%	-
2	Foreign	-	-	-	-	
•••••	Sub-total (A)	5,08,61,435	42.61%	5,08,61,435	42.61%	-
В	Non-Promoters Holding					
1	Institutional investors					
	Alternate Investment Funds / Mutual Funds	81,67,245	6.84%	1,00,48,760	8.42%	(1.58)%
	NBFCs registered with RBI	89,282	0.07%	2,62,782	0.22%	(0.14)%
	Foreign Portfolio Investors Category I	88,99,715	7.46%	85,73,090	7.18%	0.28%
•••••	Foreign Portfolio Investors Category II	11,96,723	1.00%	21,09,021	1.77%	(0.77)%
	Sub-Total (B)(1)	1,83,52,965	15.37%	2,09,93,653	17.59%	(2.21)%
2	Non-institution					
	Directors and their relatives (excluding independent directors and nominee directors)	3,10,700	0.26%	3,10,700	0.26%	-
	Key Managerial Personnel	10	-	10	_	-
	Investor Education and Protection Fund (IEPF)	1,944	-	-	-	-
	Resident Individuals holding nominal share capital up to ₹2 Lakh	2,53,78,916	21.26%	2,25,34,392	18.88%	2.38%

Sr.	Category	As on Marc	h 31, 2025	As on Marc	h 31, 2024	Change
No.		No. of shares held	% of share holding	No. of shares held	% of share holding	%
	Resident Individuals holding nominal share capital in excess of ₹2 Lakh	99,15,413	8.31%	70,32,766	5.89%	2.41%
	Non Resident Indians (NRIs)	16,73,929	1.40%	14,17,721	1.19%	0.21%
	Body Corporates	1,12,63,442	9.44%	1,05,20,533	8.81%	0.62%
•••••	Foreign Companies	-	-	41,99,018	3.52%	(3.52)%
	Clearing Members	846	-	1,129	-	-
	Trusts	-	-	1,000	-	-
•	HUF	14,45,226	1.21%	13,27,469	1.11%	0.10%
	Sub-total (B2)	4,99,90,426	41.88%	4,73,44,738	39.66%	2.22%
	Total B (B1 + B2)	6,83,43,391	57.25%	6,83,38,391	57.25%	-
С	Non Promoter, Non Public Shareholding	1,71,015	0.14%	1,76,015	0.15%	(0.01)%
	GRAND TOTAL (A+B+C)	11,93,75,841	100%	11,93,75,841	100%	-

### CHANGE IN THE SHAREHOLDING OF TOP TEN EQUITY SHAREHOLDERS OF THE COMPANY AS ON MARCH 31, 2025:

	Shareholders	As on Marc	ch 31, 2025	As on March 31, 2024		%	
		<b>Total Shares</b>	% of Holding	Total Shares	% of Holding	Change	
1	Mr. Devendra Prakash Shah	2,02,06,400	16.93%	2,02,06,400	16.93%	-	
2	Ms. Netra Pritam Shah	1,38,67,027	11.62%	1,38,67,027	11.62%	-	
3	Mr. Pritam Prakash Shah	91,59,888	7.67%	91,59,888	7.67%	-	
4	Sixth Sense India Opportunities III	81,67,245	6.84%	81,67,245	6.84%	-	
5	Peanence Commercial Pvt Limited	58,60,780	4.91%	34,60,981	2.90%	2.01%	
6	Multitude Growth Funds Limited (Formerly known as AG Dynamic Funds)	54,33,150	4.55%	54,33,150	4.55%	-	
7	Mr. Poojan Devendra Shah	32,95,000	2.76%	32,95,000	2.76%	_	
8	Ms. Priti Devendra Shah	22,22,820	1.86%	22,22,820	1.86%	-	
9	India Insight Value Fund	21,00,000	1.76%	20,70,000	1.73%	0.03%	
10	Ms. Akshali Devendra Shah	20,00,000	1.68%	20,00,000	1.68%	-	

#### **ACKNOWLEDGEMENTS**

The Directors wish to place on record their deep sense of appreciation for the committed services by the Company's employees. The Directors acknowledge with gratitude, the encouragement and support extended by its valued shareholders. The Directors also place on record their appreciation for the support and co-operation which the Company has been receiving

from its suppliers, distributors, retailers, business partners and others associated as its trading partners.

The Directors also take this opportunity to thank all the Farmers, Consumers, Employees, Shareholders, Clients, Vendors, Banks, Government and Regulatory Authorities and Stock Exchanges, for their continued support.

For and on behalf of the Board of Parag Milk Foods Limited

> Devendra Shah Chairman (DIN: 01127319)

#### **ANNEXURE - I**

#### Form AOC-1

(Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures as per the Companies Act, 2013 for the financial year ended March 31, 2025

(₹ in Crore) [Amount in UAE Dirham ('AED')]

	Name of the Subsidiaries	Bhagyalaxmi Dairy Farms Private Limited	Parag Foods Middle East FZE
1	The date since when subsidiary was acquired	December 2, 2003	Incorporated on January 7, 2025
2	Reporting period for the subsidiary - concerned, if different from the holding company's reporting period	April 1, 2024 to March 31, 2025	January 7, 2025 to March 31, 2025
3	Reporting Currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Indian Rupees	Reporting Currency- AED Exchange Rate- ₹23.27
4	Share Capital	7.79	1,00,000
5	Reserves and Surplus	80.04	-
6	Total Assets	278.69	-
7	Total Liabilities	190.86	-
8	Investments	-	-
9	Turnover (total revenue including other income)	142.10	-
10	Profit / (Loss) before Taxation	(2.24)	-
11	Tax Expense / (Benefit)	2.49	-
12	Profit / (Loss) after Taxation	(4.74)	-
13	Other Comprehensive Income	0.04	-
14	Total Comprehensive Income	(4.78)	-
15	Proposed Dividend	Nil	-
16	% of shareholding	100%	100%

#### NOTE:

- The Company does not have any Associate/ Joint Venture Company.
- Full information pertaining to Parag Foods Middle East FZE has not been included, as the entity is yet to commence its operations.

For and on behalf of the Board of **Parag Milk Foods Limited** 

> **Devendra Shah** Chairman (DIN: 01127319)

Mumbai May 2, 2025

## ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES FOR FY 2024-25

[Pursuant to Section 135 of the Companies Act, 2013 and as per Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014]

#### 1. Brief outline on CSR Policy of the Company

Parag Milk Foods Limited ('Company') has framed a CSR Policy in compliance with the provisions of the Companies Act, 2013 and Rules made thereunder. The Company shall take up activities mentioned in its policy as and when fruitful opportunity exists.

In line with the guidelines given under Schedule VII of the Companies Act, 2013, the CSR Committee has identified activities primarily infour major areas viz Promoting Education, Animal Welfare, Eradicating hunger, Poverty and Malnutrition and Integrated Renewable and Sustainable Energy around which your Company focuses its CSR initiatives and channelizing the resources in a sustained manner.

The Company actively contributes to the social and economic development of the communities in which it operates. The Company's Corporate Social Responsibility policy encompasses formulation, implementation, monitoring, evaluation, documentation and reporting of CSR activities taken up by the Company.

Through its social investments, the Company addresses various needs of communities residing in the vicinity of its facilities and plants by taking sustainable initiatives in the areas of health, education, animal welfare, infrastructure and community development and response to any natural calamities.

#### 2. Composition of CSR Committee

Sr. No.	Name of Director / Member	Designation / Nature of Directorship	Number of Meetings of CSR Committee during FY 2024-25		
			Held	Attended	
1.	Ms. Radhika Dudhat #	Chairperson - Independent Director	1	1	
2.	Mr. Devendra Shah	Member - Executive Director	1	1	
3.	Mr. Narendra Ambwani #	Member - Independent Director	1	1	
4.	Ms. Akshali Shah <sup>\$</sup>	Member - Executive Director	1	1	
5	Ms. Namrata Garud *	Member - Independent Director	-	-	
5	Mr. Dnyanesh Darshane *	Member - Independent Director	-	-	

#### \* Appointments:

Ms. Namrata Garud and Mr. Dnyanesh Darshane inducted as the Member of the Committee w.e.f. May 2, 2025.

Ms. Radhika Dudhat and Mr. Narendra Ambwani ceased as Member of the Committee w.e.f. May 2, 2025.

#### s Change of Designation:

Ms. Akshali Shah recategorised as Chairperson of the Committee w.e.f. May 2, 2025.

### 3. Web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the company.

CSR Committee: https://www.paragmilkfoods.com/investors.php

CSR Policy: https://www.paragmilkfoods.com/policy.php?id=53

CSR Projects: https://www.paragmilkfoods.com

### 4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: - Not Applicable ('N.A.')

- 5. a) Average net profit of the company as per sub-section (5) of section 135: ₹(109.05) Crore
  - b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹(2.18) Crore
  - c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
  - d) Amount required to be set-off for the financial year, if any: Nil
  - e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Nil

<sup>#</sup> Cessations

- 6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹0.02 Crore
  - (b) Amount spent in Administrative overheads: Nil
  - (c) Amount spent on Impact Assessment, if applicable: N.A.
  - (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹0.02 Crore
  - (e) CSR amount spent or unspent for the Financial Year:

Total Amount		Ame	ount Unspent (₹ in Cror	re)	
Spent for the financial year (₹ in Crore)		nsferred to Unspent s per Section 135(6)	Amount transferred to any fund specified under Schedul VII as per second proviso of Section 135(5)		
(< in Crore)	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
0.02		N.A.		N.A.	

(f) Excess amount for set-off, if any: Nil

Sr. No	Particular	Amount (₹ in Crore)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	(2.18)
(ii)	Total amount spent for the Financial Year	0.02
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.02
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any.	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	0.02*

<sup>\*</sup>Despite of not being under obligation for CSR spend, the Company spent a total amount of ₹0.02 Crore in the current year. However, the Company does not propose to claim any set off for the same.

#### 7. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under	Balance Amount in Unspent CSR Account under	Amount Spent in the Financial	Amount transfe as specified unde as per second p section (5) of sec	er Schedule VII roviso to sub-	Amount remaining to be spent in	Deficiency if any
		sub-section (6) of section 135 (in ₹)	sub-section (6) of section 135 (in ₹)	Year (in ₹)	Amount (in ₹)	Date of Transfer	succeeding Financial Years (in ₹)	

- 8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No
- 9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

For and on behalf of the Board of **Parag Milk Foods Limited** 

Mumbai May 2, 2025

**Pritam Shah** Managing Director and Interim CFO (DIN: 01127247)

Radhika Dudhat Chairperson of CSR Committee (DIN:00016712)

## Conservation of Energy, Technology Absorption and Foreign Exchange Earning and Outgo

[Section 134(3)(m) of the Companies Act, 2013 Read with Rule 8(3) of the Companies (Accounts) Rules, 2014]

#### A. CONSERVATION OF ENERGY

Total consumption during the financial year 2024-25, is provided under principle 6 of Business Responsibility and Sustainability Report, which forms part of the Integrated Annual Report.

### B. STEPS TAKEN DURING THE YEAR FOR ENERGY CONSERVATION

During the Financial Year 2024-25 the following steps were undertaken by the Company at its primary plant at Manchar which resulted in saving in energy consumption as follows:

- Replacement of old 20 KL pasteurizer with a new highefficiency one to save energy.
- 2. Installed a flash vessel and TVR system at Powder Plant No.1 to reuse steam energy from the radiator.
- Replaced a 3 HP pump with a diaphragm pump for HCL transfer with an aim to save power consumption, reduce breakdowns and maintenance cost and prevent occurrence of HCL leakages.
- 4. Replacement of Shaft driven Fan system with Direct mounting system and installation of 20 HP fan motor in place of 30 HP fan motor.
- 5. Replacement of 20 HP pump with a 10 HP pump in the ion exchange tank and added sensors for smarter operation.
- 6. Moved the homogenizer from the new process section to RMRD to avoid processing of milk twice.
- Installation of VFDs on PP-2 dehumidifier fans to lower energy use.
- 8. Automated level sensors in the ghee section to stop pumps from running dry.

#### C. RESEARCH AND DEVELOPMENT

Our Research and Development ('R&D') team has been dedicated to both the development of new products and the improvement of existing processes. This year, we have welcomed several experienced team members who have significantly contributed to our innovative efforts.

Our innovative R&D team continues to explore new segments that resonate with the categories of dairy and dairy products, such as the sweet category and value-added products, ensuring we stay at the forefront of the market.

### Launched Products under the Sweet, Health Supplement and Dairy categories:

- Gowardhan Brand (Domestic): Malai Pedha, Kesar Pedha, Kaju Katli, Kaju Pista Roll, Mysore Pak, Mawa Gujiya
- Recently launched Peanut Chikki, Sesame Chikki
- Gowardhan Brand (Export Dairy/Non-Dairy Sweets): Malai Pedha, Kesar Pedha, Kaju Katli, Kaju Pista Roll, Mysore Pak, Mawa Gujiya, Chocolate Burfi, Badam Burfi, Gulkand Burfi

**Avvatar Brand Development**: We focused on expanding the Avvatar brand with health-focused products. After extensive market research and trials, we collaborated with external facilities to launch high-protein products:

- ➤ Products Launched: Protein Wafer Bar (chocolate flavor), 100% Performance Whey, Creatine Monohydrate
- ➤ In Development: Protein Wafer Bar (coffee flavor), Protein Snacks and puffed Chips

**Go Brand**: We expanded the Go brand with flavored yogurt (Mango, Strawberry, Blueberry) and high-protein paneer.

#### **Process Improvements and Training:**

We have implemented a new product development process and an artwork development process to streamline and perfect our R&D activities with the smooth alignment of cross-functional departments. Also, we are committed to providing comprehensive training to our teams, enabling them to acquire the necessary knowledge and develop their skills to further support our growth and innovation.

#### D. FOREIGNEXCHANGEEARNINGS AND OUTGO

Following are the details of the foreign exchange earned and used during the Financial Year 2024-25:

(₹in Crore)

Particulars	FY 2024-25	FY 2023-24
Foreign exchange earned	49.66	8.37
Foreign exchange used	5.86	0.56

#### **E. TECHNOLOGY ABSORPTION**

- 1. Installation of new flow wrapper machine for cheese slice packaging.
- Upgraded oil-fired boiler for improved efficiency.
- 3. Installation of new CIP circuit to the cheese plant.
- 4. Increased refined lactose production capacity to 12-15 MT/day.
- 5. Automated homogenizer using PLC technology.
- Installed ICP-MS machine in the main lab for testing heavy metals and minerals in dairy products.

- 7. Procurement of new cube cutting machine and mould with plate and implemented defrosting for paneer spiral freezer.
- 8. Commissioned 15 MT/day blast freezing unit for mozzarella and cheddar and installed two metal detectors with check weighers for mozzarella.
- Installed Bag House and Concentrate Heater at PP-2 to avoid stack emission.
- 10. Installation and Commissioning of New Dahi Pouch Plant (with Installed Latest Technology High Speed Machine).
- 11. Installed ESP at 22 TPH boiler to reduce stack emissions.

# Disclosure in Board's Report as per the provisions of Section 197(12) of the Companies Act, 2013 read with Rule (5) (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

No.	Disclosure Requirement		Disclosure Details		
	The ratio of the remuneration of each Director to the median remuneration of the	Name of the Directors	Category	Ratio (In x times)	No. of ESOPs granted during FY 2024-25
	employees of the Company for the FY 2024-25	Mr. Devendra Shah	Executive Chairman- Whole Time Director	94.87	N. A.
		Mr. Pritam Shah	Managing Director and Interim Chief Financial Officer	94.87	N. A.
		Ms. Akshali Shah	Executive Director	51.80	N. A.
		Mr. Dnyanesh Darshane	Independent Director	9.31	N. A.
		Mr. Narendra Ambwani	Independent Director	9.31	N. A.
		Mr. Nitin Dhavalikar	Independent Director	10.14	N. A.
		Ms. Radhika Dudhat	Independent Director	9.54	N. A.
		Mr. Nikhil Vora	Non-Executive Director	-	-
		c. The remuneration to Di	irectors is within the overall limits	-	/ear. shareholders of th
		Company.	irectors is within the overall limits anded off wherever necessary.	-	
	The percentage increase in remuneration of each	Company.		approved by the	
	in remuneration of each Director, Chief Financial Officer and Company	Company. d. Figures have been rour  Name of the Directors/	nded off wherever necessary.	approved by the % Increase in	shareholders of th
	in remuneration of each Director, Chief Financial	Company. d. Figures have been rour  Name of the Directors/  CFO and CS	Category  Executive Chairman- Whole	approved by the % Increase in	shareholders of th
	in remuneration of each Director, Chief Financial Officer and Company Secretary during the	Company. d. Figures have been rour  Name of the Directors/ CFO and CS  Mr. Devendra Shah	Category  Executive Chairman- Whole Time Director  Managing Director and Interim Chief Financial	approved by the % Increase in -4	shareholders of the remuneration 1:16%
	in remuneration of each Director, Chief Financial Officer and Company Secretary during the	Company. d. Figures have been rour  Name of the Directors/ CFO and CS  Mr. Devendra Shah  Mr. Pritam Shah	Category  Executive Chairman- Whole Time Director  Managing Director and Interim Chief Financial Officer	approved by the % Increase ii -4 -4	n remuneration .:16%
	in remuneration of each Director, Chief Financial Officer and Company Secretary during the	Company. d. Figures have been rour  Name of the Directors/ CFO and CS  Mr. Devendra Shah  Mr. Pritam Shah  Ms. Akshali Shah	Category  Executive Chairman- Whole Time Director  Managing Director and Interim Chief Financial Officer  Executive Director	approved by the  % Increase in  -4  -7.  -4	n remuneration .16% .37%
	in remuneration of each Director, Chief Financial Officer and Company Secretary during the	Company. d. Figures have been rour  Name of the Directors/ CFO and CS  Mr. Devendra Shah  Mr. Pritam Shah  Ms. Akshali Shah  Mr. Dnyanesh Darshane	Category  Executive Chairman- Whole Time Director  Managing Director and Interim Chief Financial Officer  Executive Director  Independent Director	approved by the  % Increase is  -4  -4  -7.  -4	n remuneration .16% .16% .37% .59%
	in remuneration of each Director, Chief Financial Officer and Company Secretary during the	Company. d. Figures have been rour  Name of the Directors/ CFO and CS  Mr. Devendra Shah  Mr. Pritam Shah  Ms. Akshali Shah  Mr. Dnyanesh Darshane  Mr. Narendra Ambwani	Executive Chairman- Whole Time Director  Managing Director and Interim Chief Financial Officer  Executive Director  Independent Director  Independent Director	approved by the  % Increase in  -4  -7  -4  -4  -7	shareholders of the remuneration of the shareholders and the shareholders of the share
	in remuneration of each Director, Chief Financial Officer and Company Secretary during the	Company. d. Figures have been rour  Name of the Directors/ CFO and CS  Mr. Devendra Shah  Mr. Pritam Shah  Ms. Akshali Shah  Mr. Dnyanesh Darshane  Mr. Narendra Ambwani  Mr. Nitin Dhavalikar	Category  Executive Chairman- Whole Time Director  Managing Director and Interim Chief Financial Officer  Executive Director Independent Director Independent Director Independent Director	-4 -7 -4 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7 -7	shareholders of the remuneration  .16% .16% .37% .59% .61%

3.	The percentage increase/ decrease in the median remuneration of employees in the FY 2024-25	The median percentage increase in the median remuneration of employees in the FY 2024-25 is 9.89%
4.	Number of permanent employees on the rolls of the Company	There were 1969 permanent employees of Parag Milk Foods Limited as on March 31, 2025.
5.	The average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	For the employees other than managerial personnel who were in employment in FY 2024-25, the average increase is 7%  Average Increase/ (Decrease) in managerial remuneration is (5.23)%
6.	The key parameters for any variable component of remuneration availed by the directors	<ul> <li>Pursuant to approval of Shareholders in the AGM held on September 27, 2023, following is the gist of parameters applicable for variable component:</li> <li>(i) Limit for payment of commission to the Independent Directors: Fixed amount of Commission is payable to each Independent Directors subject to limit of 1% per annum of the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act, 2013 w.e.f. FY 2023-24.</li> <li>(ii) Limit for payment of commission to the Executive Directors: Not exceeding 1% (per annum per executive director) of the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act, 2013 subject to the amount not exceeding ₹2 Crore per Director w.e.f. FY 2023-24</li> </ul>
7.	Affirmation that the remuneration is as per the Remuneration Policy of the Company	Yes, it is confirmed.

#### FORM NO. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2025

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

#### **Parag Milk Foods Limited**

Flat No.1, Plot No.19, Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar, Pune – 411016

We, M/s. N L Bhatia and Associates, Practicing Company Secretaries have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Parag Milk Foods Limited (hereinafter called "the Company"). Secretarial Audit was conducted in conformity with the auditing standards issued by the Institute of Company Secretaries of India ("the Auditing Standards") and the processes and practices followed during the conduct of Audit are aligned with the Auditing Standards to provide us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2025 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2025 according to the provisions of:

- The Companies Act, 2013 (the Act) and the Rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii. The Depositories Act, 2018 and the Regulations and Byelaws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; and
- The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a. The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015;
- The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
- e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

Amongst the various laws which are applicable to the Company, the laws which are specifically applicable to the Company are annexed to this report as Annexure A.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI).
- ii. MCA Notification holding Meetings through VC / OVAM.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice and shorter notice wherever required in accordance with the Secretarial Standards on Meeting of Board of Directors is given to all directors to schedule the Board and Committee Meetings. Agenda and detailed notes on agenda were sent adequately in advance of the meetings, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes where applicable. All the decisions have been taken unanimously and no dissent recorded in Board Meetings.

We further report that, during the audit period, the Members at the Annual General Meeting held on September 11, 2024 approved the following by passing resolutions:

Company has declared Dividend on equity shares at the rate of 5% i.e. ₹0.50 per equity share for the financial year ended March 31, 2024.

- Re-appointment of Mr. Nikhil Vora (DIN: 05014606) as a Director liable to retire by rotation.
- Ratification of remuneration of the Cost Auditors for the Financial Year 2024-25.

We further report that, during the audit period, the Board in its meeting held on:

May 18, 2024, approved the Incorporation of a Wholly Owned Subsidiary in Dubai, United Arab Emirates.

#### For M/s. N L Bhatia and Associates

**Practising Company Secretaries** UIN: P1996MH055800 PR No.: 6392/2025

#### **Bharat Upadhyay**

Partner FCS No. 5436 COP No. 4457 UDIN: F005436G000251651

May 2, 2025 Mumbai

### Laws specifically applicable to the Company

- 1. Food Safety and Standard Act, 2006
- 2. The Foreign Exchange Management Act, 1999
- 3. Tax Laws
  - Professional Tax Act
  - Income Tax Act, 1961
  - The Central Goods and Service Tax Act, 2017 (w.e.f. July 1, 2017)
  - The States Goods and Service Tax Acts, 2017 (w.e.f. July 1, 2017)
  - Integrated Goods and Service Tax Act, 2017 (w.e.f. July 1, 2017)
  - The Union Territory Goods and Service Tax Act, 2017 (w.e.f. July 1, 2017)
- 4. Employee Laws
  - Payment of Gratuity Act, 1972 and Payment of Gratuity (Central) Rules, 1972
  - Payment of Bonus Act, 1965 and Payment of Bonus Rules, 1975
  - Payment of Wages Act, 1936
  - Minimum Wages Act 1948
  - Employees' Provident Fund and Miscellaneous Provisions Act, 1952 and the scheme provided thereunder
  - Employees' State Insurance Act 1948
  - The Maternity Benefit Act, 1961
  - The Contract Labour (Regulation and Abolition) Act, 1970 and Rules
  - · Child Labour (Prohibition and Regulation) Act, 1986
  - The Apprentices Act, 1961 and Apprenticeship Rules, 1991 under the above Rules
  - Industrial Disputes Act, 1947
  - Workmen's Compensation Act, 1923
  - Industrial Employment (Standing Orders) Act, 1946
- 5. Factories Act, 1948
- 6. Standards of Weights and Measurement Act, 1976
- 7. Consumer Protection Act, 1986/Monopolies and Restrictive Trade Practices Act, 1969
- 8. Negotiable Instrument Act, 1981
- 9. Obligations under Pollution Control Laws/Relevant Local Law(s) for Environmental matter/ Approval under local laws
- 10. Environment (Protection) Act, 1986 and E-Waste (Management) Rules, 2016, Batteries (Management and Handling) Rules, 2001
- 11. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

To. The Members,

#### **Parag Milk Foods Limited**

Flat No.1, Plot No.19, Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar Pune - 411016

Our report of even date is to be read along with this letter.

- Maintenance of Secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our audit.
- 2. We have followed the auditing standards issued by the Institute of Company Secretaries of India (ICSI) and audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in the Secretarial records.
- 3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management representation about the compliance of Laws, Rules and Regulations and happening of events etc.
- The compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

#### For M/s. N L Bhatia and Associates

**Practising Company Secretaries** UIN: P1996MH055800 PR No.: 6392/2025

#### **Bharat Upadhyay**

Partner FCS No. 5436 COP No. 4457 UDIN: F005436G000251651

May 2, 2025 Mumbai

### **Report on Corporate Governance**

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is the framework by which business corporations are managed and regulated. Effective corporate governance practices form the foundation of a sustainable and successful business. The Company remains firmly committed to upholding the principles of corporate governance, which guide its decision-making processes while promoting financial accountability, ethical behaviour, and fairness to all stakeholders including employees, customers, investors, regulators, suppliers, and the broader society. At Parag Milk Foods Limited ('Company' or 'Parag'), strong corporate governance is a core principle and guides our business conduct, infusing all our daily operations and is deeply embedded in our working practices.

The Company has been focusing on bringing joy to people's lives through responsible and sustainable business practices. The Company is committed to enhancing long-term value for all stakeholders while upholding integrity, fulfilling social responsibilities, protecting the environment, and ensuring regulatory compliance. Our actions are guided by strong values and principles that are consistently upheld across all levels of the organisation. These guiding principles have shaped our journey thus far and will continue to steer us into the future.

Parag resolute Corporate Governance as one of the pillars to build and maintain trust reposed by the stakeholders through collaborative efforts. We nurture a culture of responsible and good corporate governance aligned with the value system, which helps us to operate with integrity and accountability. We remain committed to building a meaningfully improved life by improving our corporate governance framework.

The core objective of the Company, along with its management and employees is to manufacture and market the Company's products in a manner that delivers long-term value to consumers, shareholders, employees, business partners, and contributes positively to the national economy. The Company firmly believes that its success is rooted in the professionalism, integrity, and ethical standards upheld by its management and workforce. Beyond mere regulatory compliance, the Company is committed to fostering a culture of transparency, responsibility, and ethical conduct across all levels of the organisation.

The corporate governance philosophy of Parag is based on the tenets of integrity, accountability, transparency and values. The Company places importance on the principles of fairness, transparency and accountability for performance at all levels, thus increasing shareholder value and safeguarding the interests of stakeholders. The Company's approach to corporate governance supervises business tactics and guarantees financial responsibility, ethical corporate

conduct and equity to all stakeholders, including regulators, employees, customers, suppliers, investors, and the broader community.

The Company is committed towards adoption of the best Corporate Governance practices by embodying values of trust, integrity, efficiency, transparency and ethical purpose throughout the organization.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable, with regard to corporate governance.

The details of Parag's Board structure and the various committees that constitute the governance structure of the organization are covered in detail in this report.

#### 2. BOARD OF DIRECTORS

#### a. COMPOSITION

The Board of Directors ('Board') of the Company consists of highly accomplished and reputed individuals, bringing together a balanced blend of professionalism, expertise, and experience. This enables the Board to fulfil its responsibilities effectively and provide strong leadership to the business. As on March 31, 2025, the Board comprised of eight Directors, with four Non-Executive Independent Directors including one Independent Woman Director, One Non-Executive Non-Independent Director and three Executive Directors including Chairman, Managing Director and one Woman Executive Director.

At Board Meeting held on May 2, 2025, the Board noted the ensuing completion of 2<sup>nd</sup> term of three Independent Directors viz. Ms. Radhika Dudhat and Mr. Narendra Ambwani on May 25, 2025 and Mr. Nitin Dhavalikar on July 27, 2025. At the same Board Meeting, Ms. Namrata Garud was appointed as an Additional Non-Executive Independent Director of the Company with effect from May 2, 2025, subject to Shareholder's approval.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act 2013 ('Act'). The number of Directorship(s), Committee Membership(s), Chairmanship(s) of all the Directors is within respective limits prescribed under the Act and Listing Regulations.

The Board is dedicated to the objective of sustainably enhancing the Company's value creation.

These guidelines aim to streamline the decision-making process at the meetings of the Board and its Committees in an informed and effective manner. Additionally, the Board

of Directors of the Company is fully dedicated to the best practices for effective Corporate Governance.

#### No Permanent Board Seat

The SEBI has amended the Listing Regulations with effect from April 1, 2024 mandating shareholders' approval for a directors' continuation on the Board at least once every five years from the date of their appointment or re-appointment.

As on March 31, 2025, there were no directors holding permanent board seats. They were either holding fixed term of not exceeding five years and / or were subject to retirement by rotation at least once in every five years.

#### b. **BOARD MEETINGS**

Four Board Meetings were held during the year under review and the gap between the two meetings did not exceed one hundred and twenty days. The said meetings were held on May 18, 2024, July 23, 2024, November 11, 2024 and January 30, 2025. The necessary quorum was present for all the meetings. Further, video-conferencing facilities were also

provided to facilitate Directors travelling/residing abroad or at other locations to participate in the meetings. The Board strives to meet at least once a quarter to review the quarterly financial results and other items on the agenda.

The composition of the Board represents highly experienced and competent individuals of notable integrity. They possess strong financial acumen, strategic astuteness, leadership qualities, and are committed to the Company, devoting sufficient time to meetings and preparation.

The 32<sup>nd</sup> Annual General Meeting ('AGM') of the Company was held on September 11, 2024, by Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') alongwith e-voting system of the National Securities Depository Limited ('NSDL').

The composition of the Board, Nature of Directorship of the Board Members and their Directorship in other public companies as on March 31, 2025, along with their attendance at the AGM held on September 11, 2024 and Board Meetings held during FY 2024-25 are as under:

Name of the Director	Category	Number of Board Meetings	Whether attended last AGM held on	Number of Directorships in other	Number of Committee positions held in other Public Companies*		
		attended	September 11, 2024 (Yes/No)	Public Companies	Chairperson	Member	
Mr. Devendra Shah (DIN: 01127319)	Executive Chairman - Whole-Time Director (WTD) (Promoter)	4	Yes	Nil	Nil	Nil	
Mr. Pritam Shah (DIN: 01127247)	Managing Director (Promoter)	4	Yes	Nil	Nil	Nil	
Ms. Akshali Shah (DIN: 06575079)	Executive Director (Promoter Group)	4	Yes	Nil	Nil	Nil	
Mr. Narendra Ambwani (DIN: 00236658)	Independent Director	4	Yes	1	Nil	Nil	
Mr. Nitin Dhavalikar (DIN: 07239870)	Independent Director	4	Yes	Nil	Nil	Nil	
Ms. Radhika Dudhat (DIN: 00016712)	Independent Director	4	Yes	4	1	6	
Mr. Dnyanesh Darshane (DIN: 08515431)	Independent Director	4	Yes	1	Nil	Nil	
Mr. Nikhil Vora (DIN: 05014606)	Non-Executive Director	4	Yes	2	-	1	

<sup>\*</sup>Only Audit Committee and Stakeholder's Relationship Committee positions are considered as per Listing Regulations.

Details of directorships of Board Members in other listed entities and their category of directorship as on March 31, 2025:

Name of the Directors	Name of Listed Entities	Category of Directorship
Mr. Devendra Shah	Nil	Nil
Mr. Pritam Shah	Nil	Nil
Ms. Akshali Shah	Nil	Nil
Mr. Narendra Ambwani	1) Banswara Syntex Limited	Independent Director
Mr. Nitin Dhavalikar	Nil	Nil
Ms. Radhika Dudhat	1) Camlin Fine Sciences Limited	Independent Director
	2) Tips Films Limited	Independent Director
	3) Jagsonpal Pharmaceuticals Limited	Independent Director
	4) Bajel Projects Limited	Independent Director
Mr. Dnyanesh Darshane	Nil	Nil
Mr. Nikhil Vora	1) Hindustan Foods Limited	Non-Independent Non-Executive Director
	2) Bikaji Foods International Limited	Independent Director

Independent directors are expected to attend at least four quarterly Board meetings and the AGM which are held during the financial year. The Company provides video conferencing/ teleconferencing facilities to enable their participation. The Board Members are expected to rigorously prepare for, attend and participate in the Board and respective Committee Meetings.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (as specified under Regulation 26(1) of Listing Regulations), across all the companies in which they are Director.

None of the Directors on the Board:

- holds directorships in more than ten public companies;
- serves as Director or as Independent Director in more than seven listed entities; and
- as an Executive Director serves as Independent Director in more than three listed entities.

### a. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

In terms of Regulation 36(3)(c) and Schedule V(C)(2)(e) of the SEBI Listing Regulations, none of the Directors are related to each other except as mentioned below:

Name of Directors	Relationship Between Directors Inter-Se
Mr. Devendra Shah and Mr. Pritam Shah	Siblings
Mr. Devendra Shah and Ms. Akshali Shah	Parent and Child

#### b. DISCLOSURE OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2025 are given below:

Name of Director	Category	Number of Equity Shares
Mr. Nikhil Vora	Non-Executive Director	1,60,700
Mr. Narendra Ambwani	Independent Director	4,500
Mr. Nitin Dhavalikar	Independent Director	NIL
Ms. Radhika Dudhat	Independent Director	NIL
Mr. Dnyanesh Darshane	Independent Director	NIL

None of the Independent Directors held any equity shares or convertible instruments of the Company during the financial year ended March 31, 2025 except Mr. Narendra Ambwani.

#### c. INDUCTION AND FAMILIARISATION PROGRAMMES

All directors inducted to the Board undergo comprehensive orientation sessions that introduce them to the Company's culture.

Directors, on their appointment to Board, are taken through a detailed induction and familiarisation programme. As part of induction and familiarisation, the Directors are also taken to Company's manufacturing location in order to understand the operations of the Company. The induction program is exhaustive and covers the history and culture of Parag

Milk Foods Ltd., the background of the Company and its development over the past several decades, key milestones in the Company's history since its inception, the current organizational structure and an overview of the business operations and functions.

An information pack is handed over to the new Directors on the Board, which includes, the Company's profile, Company's Codes and Policies, organizational structure, Board procedures and any other operational information which will enable them to discharge their duties effectively. The Independent Directors are also made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.

The details of the familiarization Programs conducted during the year under review are available on the website of the Company at the following web-link: https://www. paragmilkfoods.com/policy.php?id=75

#### d. SUCCESSION PLANNING FOR THE BOARD AND **SENIOR MANAGEMENT**

Succession planning at Parag is a meticulous process that focuses on the smooth transition of roles so as to ensure the stability and future leadership of the Company. The Company has an effective system in place to ensure smooth transitions in leadership, including Executive and Non-Executive Directors, Senior Management Team and other essential talents and key roles. It is a collaborative approach involving various key corporate functions and leadership roles. Additionally, the Company regularly reviews talent for senior management and other executive officers. This process offers a thorough overview of our leadership-level talent inventory and capabilities, ensuring we meet our critical talent needs in alignment with our business objectives. The Company strives to maintain an appropriate balance of skills and experience within the organization and the Board in an endeavour to introduce new perspectives while maintaining experience and continuity. The succession plan is closely aligned with the strategy and long-term needs of the Company.

#### MATRIX SETTING OUT THE SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

The Directors on the Board are distinguished industrialists and professionals with expertise in their respective functional areas. Directors bring in knowledge and experience from a variety of sectors, demonstrating breadth and depth of management and leadership experience. They are appointed on the Board on the basis of the skills they possess in addition to their special skills with regards to the industries/fields they come from.

The Board has identified individuals possessing wide experience and expertise in their areas of function viz. Sales and Marketing experience, International Business experience, General management and leadership, Financial and risk management skills, and Technical, professional skills and knowledge including legal, governance and regulatory aspects that allows them to make effective contributions to the Board and its Committees.

The Board skill matrix provides a guide as to the core skills, expertise, competencies and other criteria (collectively referred to as 'skill sets') considered appropriate by the Board of the Company in the context of its business and sector(s) for it to function effectively and those actually available with the Board. The skill sets will evolve as the organization progresses, prompting the Board to periodically review the matrix to ensure that the composition of skills remains in harmony with the Company's strategic direction.

Brief profiles of all the Board members, comprising their experience, skills and expertise, etc., form part of this Integrated Annual Report and detailed profile is available on the Company's website at https://www.paragmilkfoods.com/ investors.php

The Board has, taking into consideration the Company's nature of business, core competencies, key characteristics, identified the following core skills/ expertise/ competencies as required in the context of its business(es) and sector(s) for it to function effectively and which are available with the Board.

#### The core skills/ expertise/ competencies fundamental for the effective functioning of the Company as identified by the Board of Directors as required in the context of its business(es) and sector(s)

In terms of the requirement of the Listing Regulations, the Board has identified the core skills/ expertise/ competencies of the Directors in the context of the Company's business for effective functioning and as available with the Board, which are as follows:

Business and Financial Acumen	Demonstrate techno-commercial and business perspective, ability to comprehend, interpret and guide on financial statements, Audit Committee presentations and matters of business and oversee efficient use of resources.
Global Experience/ International Exposure	Understanding business models of global corporations, relate to the developments with respect to leading global corporations and assist the Company to adapt as appropriate.
Industry Knowledge	Experience in similar industries, Grasp the Company's business operations, current strategic initiatives, policies and culture, governance framework, significant risks and challenges, potential opportunities and familiarity with the industry sector in which the Company operates.
Strategy and Planning	Ability to think strategically, identify and critically assess strategic opportunities and threats. Has a knack to offer a solution based approach in developing the effective strategies in the context of the strategic objectives of the Company

Governance, Risk Management and Compliance	Commitment and experience in the application of corporate governance principles and setting up corporate governance practices to support the Company's legal, risk and compliance systems and governance policies/ practices. Ability to identify key risks associated with the operations of the Company including broad legal and regulatory framework and their mitigation plans.
Sales, Marketing and Communications	Experience in strategising market share growth, building brand awareness, enhancing enterprise reputation. Understanding and experience in marketing and public promotion campaigns, adeptness in collecting consumer expectations and addressing grievances.

As part of the annual performance evaluation of the Board / Individual Directors for FY 2024-25, analysis of the skills, experience and expertise of the Directors was carried out, which brought out that the Board of Directors possesses the right and optimal skill sets for effective functioning of the Company. The results of the analysis are presented below:

Sr. No.		DS	PS	AS	DD	NA	RD	ND	NV
1	Business and Financial Acumen	Yes							
2	Global Experience/ International Exposure	Yes							
3	Industry Knowledge	Yes							
4	Strategy and Planning	Yes							
5	Governance, Risk Management and Compliance	Yes							
6	Sales, Marketing and Communications	Yes							

Note: DS - Mr. Devendra Shah, PS - Mr. Pritam Shah, AS - Ms. Akshali Shah, DD - Mr. Dnyanesh Darshane, NA - Mr. Narendra Ambwani, RD - Ms. Radhika Dudhat, ND - Mr. Nitin Dhavalikar, NV - Mr. Nikhil Vora

The eligibility of a person to be appointed as a Director of the Company is dependent on whether the person possesses the requisite skill sets identified by the Board as above and whether the person is a proven leader in running a business that is relevant to the Company's business or is a proven academician in the field relevant to the Company's business. The Directors so appointed are drawn from diverse backgrounds and possess special skills with regard to the industries / fields from where they come.

### 3. DIRECTORS' INDEPENDENCE AND DECLARATIONS

All Independent Directors of the Company have certified and confirmed their independence in accordance with Section 149(6) of the Act read with Regulations 16(1)(b) and 25(8) of the Listing Regulations as amended, as on March 31, 2025. Further in terms of the Regulation 25(8) of the Listing Regulations, the Independent Directors have also confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence

The Board at its meeting held on May 2, 2025, reviewed the declaration of independence submitted by Independent Directors and carried out due assessment of the veracity of the same noting that the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent of the Management.

Pursuant to Section 164(2) of the Act, all the Directors have provided annual declarations that they are not disqualified to act as Directors in the Company. M/s. N.L. Bhatia and Associates, Practising Company Secretaries has issued a certificate as required under the Listing Regulations,

confirming that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI / Ministry of Corporate Affairs ('MCA') or any such other statutory authority. The said certificate issued by M/s. N.L. Bhatia and Associates forms part of this Integrated Annual Report.

### 4. SEPARATE MEETING OF INDEPENDENT DIRECTORS

For the Board to exercise free and fair judgment in all matters related to the functioning of the Company, it is important for the independent directors to have meetings without the presence of the executive management. In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

During the financial year, the Independent Directors met without the presence of the Management.

The meeting of Independent Directors was held on March 18, 2025 through Video Conference mode. At such meeting, the Independent Directors, *inter-alia*, discussed and reviewed, amongst other matters, the performance of the Non-Independent Directors, the Board as a whole, Chairman of the Company and assessed the quality, quantity, and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to perform its duties effectively and reasonably, succession planning of the Board of Directors and Senior Management Personnel, Board composition, performance of the Company and risks faced by it, competition and strategy.

The meeting was chaired by Mr. Nitin Dhavalikar, Independent Director wherein the Independent Directors, inter-alia, took up the following agenda items:

- Reviewed the performance of Non Independent Directors and the Board as a whole:
- b) Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors: and
- c) Assessed the quality, quantity and timeliness of flow of information between the Company's management and Board that is necessary for Board to effectively and reasonably perform its duties.

#### 5. AVAILABILITY OF INFORMATION TO BOARD **MEMBERS**

The Board has unfettered access to all Company-related information, including that of the employees. During Board meetings, functional heads and representatives who can offer further insights into the agenda items under discussion are invited as participants. Information is continuously supplied to Board Members for their review, discussions, input and approval. Strategic and operational plans are presented to the Board alongside quarterly and annual Financial Statements. Specific instances of acquisitions, significant managerial decisions, material positive / negative developments and statutory matters are presented to the statutory committees and subsequently, following their recommendation, to the Board for approval.

As a process, all Board / Committee members are given notice, agenda along with the notes to agenda of the meetings in advance. The meetings are governed by a structured agenda. All items in the agenda are supported by detailed background information to enable the Directors to take informed decisions. Minutes of each Board / Committee meeting are documented. The minutes of the meetings are also prepared considering the general principles of governance to ensure that they cover a true and fair summary of the discussions and decisions taken at the meeting. The draft minutes are circulated among all Directors for their comments. The finalized minutes are then recorded in the minutes book.

The governance processes in the Company includes an effective post-meeting follow-up, review, and reporting process for action taken report / pending for discussions of the Board and its Committees in the subsequent meetings. The Board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines.

During FY 2024-25, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

#### 6. COMMITTEES OF THE BOARD

The Committees of the Board are guided by their respective terms of reference, which outline their composition, scope, power, duties / functions and responsibilities. During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board. Committees of the Board usually meet the day before or same day of the Board meeting, or whenever it becomes necessary to conduct business.

The Chairman of the Board, in consultation with the Company Secretary ('CS') and the respective Committee Chairperson, determines the frequency of the committee meetings. The quorum for meetings is the higher of two members or onethird of the total number of members of the Committee or as stipulated under SEBI Listing Regulations.

The Board has established the following statutory and nonstatutory Committees: -

#### a) AUDIT COMMITTEE

The powers, roles and terms of reference of the Audit Committee covers the areas as specified under Section 177 of the Act and Regulation 18 of the Listing Regulations, as applicable, besides other terms as referred by the Board. The powers include investigating any activity within its terms of reference as specified by the Board and seeking information from any employee, obtaining professional advice from external sources, securing attendance of outsiders with relevant expertise, if considered necessary and having full access to information contained in the records of the Company.

#### Composition, Name of Chairman and Members, Meetings and Attendance during the FY 2024-25

The Audit Committee comprises of total 4 (four) members with relevant experience in financial matters. The composition of the Audit Committee complies with the requirements laid down in Section 177 of the Act and Regulation 18 of Listing Regulations.

The Audit Committee meets at least once a guarter. There were 4 (four) meetings of the Audit Committee during FY 2024-25 on May 18, 2024, July 23, 2024, November 11, 2024 and January 30, 2025. The gap between two Meetings was not more than 120 days. The requisite quorum was present in all the Meetings.

The meetings of Audit Committee are also attended by the representatives of Statutory Auditors, Internal Auditor and executives from accounts and finance department as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

Mr. Nitin Dhavalikar, Chairman of the Audit Committee was present at the 32<sup>nd</sup> AGM held on September 11, 2024.

The Composition, Name of the Members, Chairperson and attendance of the Members during FY 2024-25 are as follows:

Sr.	Name of the Member Designation		Category	No. of Meetings	
No.				Held	Attended
1	Mr. Nitin Dhavalikar	Chairman	Independent Director	4	4
2	Mr. Pritam Shah	Member	Managing Director	4	4
3	Mr. Narendra Ambwani	Member	Independent Director	4	4
4	Mr. Dnyanesh Darshane	Member	Independent Director	4	4

#### **Terms of Reference**

The terms of reference and powers of the Audit Committee are those prescribed under Part C of Schedule II of the Listing Regulations as well as Section 177 of the Act.

The role of the audit committee include the followings:

- Oversight of the company's financial reporting process and to ensure that financial statement is correct, sufficient and credible;
- Recommendation for appointment, remuneration and terms of appointment of statutory, internal and cost auditors of the Company;
- iii. Approval of payment to statutory and other auditors for any other services rendered by them;
- iv. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required to be included in the Director's Responsibility Statement forming part of Board Report in terms of section 134(3)(c) of the Act;
  - b) Changes, if any, in accounting policies and practices and reasons for the same:
  - c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - d) Significant adjustments made in the financial statements arising out of audit findings;
  - e) Compliance with listing and other legal requirements relating to financial statements;
  - f) Disclosure of any related party transactions; and
  - g) modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financials before submission to the board for approval;
- vi. Reviewing, with the management, the statement of use / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take necessary steps in this matter;

- vii. Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. Scrutiny of inter corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up thereon;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post - audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding ₹100 crore or 10% of the asset size of the subsidiary, whichever is lower;

xxi. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder; and

xxii. Review of following information:

- (i) management discussion and analysis of financial condition and results of operations:
- (ii) management letters / letters of internal control weaknesses issued by the statutory auditors;
- (iii) internal audit reports relating to internal control weaknesses;
- (iv) the appointment, removal and terms of remuneration of the chief internal auditor: and
- (v) statement of deviations:
  - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations; and
  - b. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of Listing Regulations.

All members of the Audit Committee are financially literate and having relevant expertise in the fields of Finance, Taxation, Economics. Risk and International Finance. The Committee functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition of Insider Trading) Regulations, 2015 and to review the report of the Compliance Officer with the provisions of these regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

The Audit Committee reviews the reports of the auditors including the Internal Auditors; the reports of the Statutory

Auditors arising out of the quarterly, half-yearly, and annual audit of the accounts; considers significant financial issues affecting the Company and holds discussions with the Internal and Statutory Auditors and Management during the year.

#### NOMINATION AND REMUNERATION COMMITTEE

The powers, role and terms of reference of the Nomination and Remuneration Committee ('NRC') cover the areas as mentioned under Section 178 of the Act and Regulation 19 of Listing Regulations, besides other terms as referred by the Board. The role includes but is not limited to recommending to the Board a policy relating to the remuneration for the directors,key managerial personnel ('KMP') and other employees; formulation of criteria for evaluation of Independent Directors and the Board; identification of persons who are qualified to become directors and who may be appointed in senior management and recommending to the Board their appointment, removal and noting of cessation (changes): and recommendation to the Board of all remuneration, in whatever form, payable to Senior Management.

#### Composition, Name of Chairman and Members, Meetings and Attendance during the FY 2024 - 25

The NRC comprised of 4 (four) Members as on March 31, 2025.

The NRC met 2 (two) times during FY 2024-25 on July 23. 2024, and November 11, 2024. The requisite quorum was present at the Meetings. Mr. Narendra Ambwani, Chairman of the NRC Committee was present at the 32<sup>nd</sup> AGM held on September 11, 2024.

During the year, the Non-Executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any incurred by them for the purpose of attending meetings.

The Company Secretary acts as the Secretary to the Committee.

The Composition, Name of the Members, Chairperson and attendance of the Members during FY 2024 - 25 are mentioned in the table below:

Sr.	Name of the Member	Name of the Member Designation		No. of	No. of Meetings		
No.				Held	Attended		
1	Mr. Narendra Ambwani	Chairman	Independent Director	2	2		
2	Mr. Devendra Shah	Member	Executive Director	2	2		
3	Ms. Radhika Dudhat*	Member	Independent Director	2	2		
4	Mr. Nitin Dhavalikar	Member	Independent Director	2	2		
5	Ms. Namrata Garud#	Member	Independent Director	NA	NA		

<sup>\*</sup>Ms. Radhika Dudhat ceased as member of NRC w.e.f. May 2, 2025

<sup>\*</sup>Ms. Namrata Garud inducted as a member of NRC w.e.f. May 2, 2025.

#### **Terms of Reference**

The terms of reference and powers of the Committee are those prescribed under Part D of Schedule II of the SEBI Listing Regulations as well as Section 178 of the Act.

The Board on the recommendation of the NRC adopted the Remuneration Policy for Directors, and other employees of the Company. The Committee also plays the role of Compensation Committee and is responsible for administering the Stock Option Plan of the Company and determining eligibility of employees for stock options.

#### The terms of reference of the NRC are:

- i. Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, KMP and other employees and formulation of criteria for evaluation of Independent Directors and the Board:
- ii. Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director:
- iii. Devising a policy on diversity of board of directors;
- iv. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- vi. Recommendation of remuneration policy for the Directors, KMP and Senior Management of Company.

#### **Role of the Nomination and Remuneration Committee**

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board;
- ii. Determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- iii. Review and determine elements of remuneration package of the Executive Directors and KMP i.e. salary, benefits, bonuses, stock options, pension etc;
- iv. Formulate criteria and carry out evaluation of performance of each Director individually and the Board as a whole; and
- Recommend to the Board, all remunerations, in whatever form, payable to Senior Management.

Apart from the above, the Committee also carries out such functions / responsibilities entrusted on it by the Board from time to time.

#### **Performance Evaluation**

The Company has laid down a process for evaluation of the Board and Committees of the Board as well as evaluation

of the performance of each of the Directors. The criteria for performance evaluation cover the areas relevant to the functioning of the Board and its Committees such as its composition and operations, Board as a whole and group dynamics, oversight and effectiveness, performance, skills and structure etc. A structured questionnaire is prepared after circulating the draft forms, covering various aspects such as structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board process, among others.

Independent Directors have three key roles - governance, control and guidance. Some performance indicators, based on which Independent Directors are evaluated, include:

- The ability to contribute to and monitor corporate governance practices;
- The ability to contribute by introducing international best practices to address business challenges and risks;
- Active participation in long-term strategic planning; and
- Commitment to fulfilment of Director's obligations and fiduciary responsibilities; these include participation in Board and Committee Meetings.

The performance of individual directors was evaluated on the parameters such as preparation, participation, flow of information, conduct, independent judgement and effectiveness. The performance evaluation of Independent Directors was done by the entire Board and in the evaluation of the Directors, the Directors being evaluated had not participated. A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board. As an outcome of the evaluation, it was noted that Board as a whole has a composition that is diverse in experience, skills, expertise, competence, gender balance and fosters open and transparent discussions.

The Board provided its inputs, *inter-alia*, on further strengthening the flow of information to the Directors, greater focus on right issues that influence the Company's performance and future success and enhance opportunity to focus on updates regarding changing consumer lifestyle and nutritional preferences. Additionally, the Board emphasized on increasing focus on key developments, industry trends, inherent risks and uncertainties that may impact business performance and Company's strategy.

#### c) STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee ('SRC') oversees, *inter-alia*, redresses shareholder and investor grievances, transfer / transmission of shares, non-receipt of annual report or declared dividend, reviewing dematerialization / rematerialization of shares and related matters.

The roles and responsibilities of the SRC are as prescribed under Section 178 of the Act and Regulation 20 of Listing Regulations.

#### Composition, Name of Chairman and Members, Meetings and Attendance during FY 2024-25

The Stakeholders Relationship Committee comprised of 4 (four) members as on March 31, 2025.

During the year, SRC meeting was held once i.e. on January 30, 2025. Mr. Dnyanesh Darshane - Chairman of the Committee was present at the 32<sup>nd</sup> AGM held on September 11, 2024.

The Company Secretary acts as the Secretary to the Committee.

The Composition, Name of the Members, Chairperson and attendance of the Members during FY 2024-25 are as follows:

Sr.	Name of the Member Designation		Category	No. of Meetings	
No.				Held	Attended
1	Mr. Dnyanesh Darshane	Chairman	Independent Director	1	1
2	Mr. Devendra Shah	Member	Executive Director	1	1
3	Mr. Pritam Shah	Member	Managing Director	1	1
4	Ms. Akshali Shah	Member	Executive Director	1	1

#### **Terms of Reference**

The terms of reference mandated by the Board, which is also in line with the statutory and regulatory requirements are:

- Resolving the grievances of the security holders of Company including complaints related to transfer/ transmission of shares, non-receipt of annual report and declared dividends, issue of new / duplicate certificates, general meetings queries etc;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent; and
- iv. Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when need arises.

The Meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests / grievances are redressed within stipulated time period.

#### Details of Complaints Received and Redressed during FY 2024-25

During the financial year ended March 31, 2025, only 1 (One) complaint was received from shareholder / investor for non - receipt of dividend. The complaint was resolved and no investor complaint was pending as on March 31, 2025.

The Company acted upon all valid requests for share transfer and non-receipt of dividend warrants, received during FY 2024-25 and no such transfer is pending. No investor grievances remained unattended / pending for more than thirty days as on March 31, 2025.

The Company has an exclusive e-mail ID in place for easy and quick redressal of grievances of shareholders regarding their complaints, which is managed by the Secretarial team and Investor Relations team, a team designated specifically for dealing with Investor queries and grievances along with investor presentations.

#### Name and Designation of the Compliance Officer

Mr. Virendra Varma, Company Secretary, acts as Compliance Officer of the Company in terms of Regulation 6 of the Listing Regulations.

Continuous efforts are made by the Company to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated contact number and e-mail address to facilitate prompt response.

#### d) RISK MANAGEMENT COMMITTEE

The Board has constituted a Risk Management Committee ('RMC') in line with the provisions of Regulation 21 of Listing Regulations, which is responsible for providing oversight in achieving the Company's Enterprise Risk Management ('ERM') objectives. ERM helps company's objectives by creating a comprehensive approach to anticipate, identify, prioritize and manage material risks attached to the Company's operations and business. The primary responsibility of RMC is to ensure that sound policies, procedures and practices are in place for industry-wide management of the Company's material risks.

#### Composition, Name of Chairperson, Members and Meetings and Attendance during FY 2024-25

The Risk Management Committee of the Company comprised of 5 (five) members as on March 31, 2025.

The Company Secretary acts as the Secretary to the Committee.

2 (two) RMC meetings were held during FY 2024-25 on April 30, 2024 and November 11, 2024 for reviewing the Company level risks and mitigation plans and actions.

The Composition, Name of the Members, Chairperson and attendance of the Members during FY 2024-25 are as follows:

Sr. No.	Name of the Member	Name of the Member Designation		No. of Meetings		
				Held	Attended	
1	Ms. Radhika Dudhat*	Chairperson	Independent Director	2	2	
2	Mr. Pritam Shah	Member	Managing Director	2	2	
3	Mr. Dnyanesh Darshane #	Member	Independent Director	2	2	
4	Mr. Nitin Dhavalikar	Member	Independent Director	2	2	
5	Ms. Akshali Shah	Member	Executive Director	2	2	
6	Ms. Namrata Garud®	Member	Independent Director	NA	NA	

<sup>\*</sup> Ms. Radhika Dudhat ceased as Chairperson and Member of RMC w.e.f. May 2, 2025.

The Company has set up an internal compliance management tool TeamLease RegTech to periodically review compliance requirements under different statutes, as applicable to the Company.

#### **Terms of Reference**

The terms of reference of the Committee are:

- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iii. Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- iv. Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- v. Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- vi. Provide ongoing guidance and support for the refinement of the overall risk management;

- vii. Ensure that management understands and accepts its responsibility for identifying, assessing and managing risk;
- viii. Review appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- ix. Assign risk owners and approve action plans;
- Approve company-wide Risk Assessment, Risk Profile and Business Continuity Plan
- xi. Update the leadership team from time to time on the ongoing ERM progress / changes; and
- xii. Review internal and external risks, inter alia, financial, operational, sectoral, sustainability / ESG, information, cyber security risks, legal and regulatory risks.

### e) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has constituted a Corporate Social Responsibility ('CSR') Committee in line with the provisions of Section 135 of the Companies Act, 2013 to recommend to the Board CSR initiatives of the Company and also to monitor implementation of the CSR initiatives.

#### Composition, Name of Chairperson and Members and Meetings and Attendance during FY 2024-25:

During FY 2024-25, the Committee met once on May 18, 2024.

Sr.	Name of the Member	Designation	Category	No. of Meetings	
No.				Held	Attended
1	Ms. Radhika Dudhat*	Chairperson	Independent Director	1	1
2	Mr. Devendra Shah	Member	Executive Director	1	1
3	Ms. Akshali Shah#	Member	Executive Director	1	1
4	Mr. Narendra Ambwani*	Member	Independent Director	1	1
5	Mr. Dnyanesh Darshane <sup>\$</sup>	Member	Independent Director	NA	NA
6	Ms. Namrata Garud <sup>s</sup>	Member	Independent Director	NA	NA

<sup>\*</sup> Ms. Radhika Dudhat ceased as Chairperson and Member and Mr. Narendra Ambwani ceased as Member w.e.f. May 2, 2025.

<sup>#</sup> Mr. Dnyanesh Darshane recategorized as Chairman of RMC w.e.f. May 2, 2025.

<sup>&</sup>lt;sup>®</sup> Ms. Namrata Garud inducted as a member of RMC w.e.f. May 2, 2025.

Ms. Akshali Shah recategorized as Chairperson of the CSR Committee w.e.f. May 2, 2025.

<sup>\$</sup> Mr. Dnyanesh Darshane and Ms. Namrata Garud inducted as a Member w.e.f. May 2, 2025.

The Company Secretary acts as the Secretary to the Committee.

#### **Key Terms of Reference**

The terms of reference of the CSR Committee, inter-alia, are as follows:

- Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act;
- Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy:
- iii. Monitor the CSR Policy;
- iv. Reviewing the performance of Company in the areas of CSR; and
- v. Such other functions as provided under the Act / applicable statutes, as amended.

#### **FINANCE COMMITTEE**

Apart from the above Statutory Committees, the Board of Directors has constituted a Finance Committee to enhance governance standards and address pressing business requirements. The Finance Committee of the Board of Directors was set up w.e.f. August 10, 2016 to oversee routine operations that arise in the normal course of the business, such as decision on banking relations, delegation of operational powers, appointment of nominees under statutes, etc. and for taking decisions on behalf of the Board, during the intervening period between two Board Meetings, on the routine matters and also the matters on which decisions are required to be taken urgently. The Committee has been granted authority within certain specified limits to approve borrowings / transactions and issues on a nonfund basis.

During FY 2024-25, the Committee met 13 (thirteen) times.

The details of composition of the Finance Committee and attendance of the Members at the Finance Committee Meetings during FY 2024-25 are as under:

Sr.	Name of the Member	Designation	on Category		No. of Meetings		
No.				Held	Attended		
1	Mr. Nitin Dhavalikar	Chairman	Independent Director	13	13		
2	Mr. Pritam Shah	Member	Managing Director	13	13		
3	Mr. Devendra Shah	Member	Executive Director	13	13		

#### g) MANAGEMENT COMMITTEE

Apart from the Finance Committee, the Board of Directors had also constituted a Management Committee consisting of Executive Directors to enhance governance standards and address pressing business requirements. The Management Committee of the Board of Directors was set up w.e.f. August 5, 2023 for discharging the responsibilities relating to the transaction of routine, administrative nature that occur between regularly scheduled meetings of the

Board to ensure that business strategies, daily business and operational issues were carried out effectively and efficiently and that the requirements of good corporate governance practices could be instilled to foster a corporate culture that promotes ethical practices, integrity and smooth functioning of various processes in the Company including the internal control system.

During FY 2024-25, the Committee met 2 (two) times on September 26, 2024 and December 12, 2024.

The details of composition of the Management Committee and attendance of the Members at the Management Committee Meetings during FY 2024-25 are as under:

Sr.	Name of the Member	Designation Category		No. of Meetings		
No.				Held	Attended	
1	Ms. Akshali Shah	Chairperson	Executive Director	2	2	
2	Mr. Devendra Shah	Member	Executive Director	2	2	
3	Mr. Pritam Shah	Member	Managing Director	2	2	

#### 7. SENIOR MANAGEMENT

The details of Senior Management of the Company as on March 31, 2025 are as follows:

Sr. No.	Name of Senior Management Personnel	Designation
1.	Mr. Pritam Shah	Interim Chief Financial Officer
2.	Mr. Rahul Kumar Srivastava	Chief Operations Officer
3.	Mr. Virendra Varma	Company Secretary and Compliance Officer
4.	Mr. Binod Das*	President-Sales

<sup>\*</sup> Mr. Binod Das ceased to be categorized as Senior Management Personnel w.e.f. August 24, 2024.

Note - Mr. Ankit Jain, Chief Strategy Officer, designated as Senior Management Personnel w.e.f. May 2, 2025.

Changes in Senior Management since the close of the previous financial year

No. of Appointments	No. of Cessations
NIL	1

### 8. DETAILS OF REMUNERATION PAID TO DIRECTORS

#### Remuneration to Non-Executive Directors (including Independent Directors)

The Non-Executive Directors (except Mr. Nikhil Vora) are paid sitting fees of ₹1,00,000 for attending Board and Statutory Committee Meetings. The total amount of sitting fees paid to Non-Executive Directors, including Independent Directors ('ID') during FY 2024-25 was ₹0.43 Crore. The Company also reimburses the out-of-pocket expenses, if any incurred by the Directors for attending the meetings.

The remuneration to Non-Executive Directors is based on the Nomination and Remuneration Policy of the Company. None of the Non-Executive Independent Directors has any pecuniary relationship or transactions with the Company and its Associates. The Members at their meeting held on September 27, 2023 approved the payment of commission to the Independent Directors w.e.f. FY 2023-24.

The details of payment made to Non-Executive Directors, including Independent Directors during FY 2024-25 are as under:

(₹ in Crore)

Name of Director	Sitting Fees		Commission	Total Fees Paid/	
	Board Meeting	Committee Meeting	Paid/ payable till March 31, 2025	Payable	
Mr. Narendra Ambwani (ID)	0.04	0.07	0.21	0.32	
Mr. Nitin Dhavalikar (ID)	0.04	0.08	0.23	0.35	
Ms. Radhika Dudhat (ID)	0.04	0.05	0.24	0.33	
Mr. Dnyanesh Darshane (ID)	0.04	0.07	0.21	0.32	
Mr. Nikhil Vora*	NA	NA	NA	NA	
TOTAL	0.16	0.27	0.89	1.32	

<sup>\*</sup>Mr. Nikhil Vora has waived-off his right to receive remuneration.

#### ii) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman - WTD and Managing Director is recommended by the NRC to the Board and the Shareholders. The remuneration package of Whole- Time Directors and Managing Director is as approved by the shareholders at the General Meetings at the time of their appointment/ re-appointment. The Members at their meeting held on September 27, 2023 approved the payment of commission to the Executive Directors w.e.f. FY 2023-24.

The tenure of office of the Whole-Time Directors is between three to five years from their respective date of appointment. There is no specific provision for payment of severance fees to any of the Executive Directors.

Also, out-of-pocket expenses as incurred by the Directors for business of the Company are reimbursed to them. Annual increments are linked to performance and are decided by the NRC and recommended to the Board for approval thereof.

The details of all elements of remuneration package i.e. salary, benefits, bonus, pension, etc. paid to the Executive Directors for FY 2024-25 are given below:

(₹in Crore)

Name of Director	Designation	Fixed Salary and Perquisites (Remuneration)	Sitting Fees	Commission paid / payable till March 31, 2025	Total Remuneration for FY 2024-25
Mr. Devendra Shah	Chairman - WTD	2.40	Nil	0.90	3.30
Mr. Pritam Shah	Managing Director	2.40	Nil	0.90	3.30
Ms. Akshali Shah	Executive Director	0.90	Nil	0.90	1.80
TOTAL		5.70	Nil	2.70	8.40

Presently, the Company has not granted any stock options to its directors.

#### 9. SUBSIDIARY COMPANY

The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations as amended. The said policy is available on the website of the Company viz. www.paragmilkfoods. com. The Company does not have a material subsidiary as on the date of this Report, having a net worth or income exceeding 10% of the consolidated net worth / income of the Company as defined under Regulation 16(1)(c) of the Listing Regulations.

The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Note No. 7 to the standalone financial statements.

The minutes of the Board Meetings of the subsidiary company along with the details of significant transactions and arrangements entered into are shared with the Board of Directors on a quarterly basis.

Additionally, the Company monitors performance of subsidiary company, inter-alia, by the following means:

- Financial statements, in particular investments made by subsidiary company, are reviewed quarterly by the Company's Audit Committee.
- A statement containing all significant transactions and arrangements entered into by subsidiary company is placed before the Board of Directors.
- Presentations are made to the Board on business performance of the subsidiary by the senior management.

#### 10. GENERAL BODY MEETINGS

#### **Details of Annual General Meetings ('AGM'):**

Location and time of the last three Annual General Meetings held and the special resolutions passed in them:

Details of the AGMs held during the last 3 years and Special Resolutions passed thereat are given below:

Particulars of AGM	Date and Time	Venue	Details of Special Resolution(s) Passed		
32 <sup>nd</sup> AGM for FY 2023 -24	September 11, 2024 at 11:00 A.M.	VC/ OAVM	No special resolutions were passed in this meeting		
31 <sup>st</sup> AGM for FY 2022-23	September 27, 2023 at 04:30 P.M.	VC/ OAVM	<ol> <li>Payment of Commission to Independent Directors.</li> <li>Payment of Commission to Executive Directors.</li> <li>Approval for Revision in Remuneration of Ms. Akshali Shah - Executive Director.</li> <li>Approval for Amendment in "Parag Milk Foods Limited" - Employee Stock Option Scheme 2022 ('ESOP 2022' / 'ESOS 2022').</li> <li>Approval for Increase in ESOP Pool of Parag Milk Foods Limited Employee Stock Option Plan 2022 and authorization to Nomination and Remuneration Committee to determine the Exercise Price on each grant to the Option Grantees.</li> <li>Approval of Grant of Options to Employees of Subsidiary Company of the</li> </ol>		
			6. Approval of Grant of Options to Employees of Subsidiary Company of the Company under Parag Milk Foods Limited Employee Stock Option Plan 2022.		

Particulars of AGM	Date and Time	Venue		Details of Special Resolution(s) Passed
30 <sup>th</sup> AGM for FY 2021-22	September 30, 2022 at 04:30 P.M.	VC / OAVM	1.	Re-Appointment of Mr. Devendra Shah (DIN: 01127319) as Whole-Time Director of the Company.
			2.	Re-Appointment of Mr. Pritam Shah (DIN: 01127247) as Managing Director of the Company.
			3.	Approval for maintaining the Registers and Indexes of Members and copies of Annual Returns at place other than Registered Office of the Company.
			4.	Approval of 'Parag Milk Foods Limited Employee Stock Option Scheme 2022' ('ESOP 2022')
			5.	Approval for grant of stock options to the employees of subsidiary company under ESOP 2022.
			6.	Approval for provision of money by the Company for subscription / acquisition of its own shares by the Trust under the ESOP 2022.
			7.	Approval for amendments in 'Parag Milk Foods Limited - Employee Stock Option Scheme 2015'.

#### ii. Extra-Ordinary General Meeting ('EGM')

During FY 2024-25, no Extra-Ordinary General Meetings were held.

#### iii. Postal Ballot

During FY 2024-25, no postal ballot was conducted.

#### 11. MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. The Company follows various channels of communication with shareholders and other stakeholders for ensuring fair disclosure and comprehensive and transparent reporting of the Company's performance and activities to safeguard shareholder's and other stakeholder's interests. Information to Stock Exchanges is filed electronically on the online portals of BSE Limited ('BSE') i.e. BSE Corporate Compliance and Listing Centre ('Listing Centre') and National Stock Exchange of India Limited ('NSE') i.e. NSE Electronic Application Processing System ('NEAPS').

The Company regularly interacts with Members through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications, details are provided below:

a.	Quarterly Results	The Company publishes limited reviewed un-audited standalone and consolidated financial results on a quarterly basis. In respect of the fourth quarter, the Company publishes the audited financial results both standalone and consolidated for the complete financial year.
b.	Newspapers wherein results normally published	The financial results are published in leading English and Marathi daily newspapers, viz. "The Financial Express" (English Newspaper) and "Lok Satta" (Marathi Newspaper)
C.	Any Website, where displayed	The Company's corporate website address is www.paragmilkfoods.com which contains a dedicated section "Investors" tab wherein the communication is available.
d.	Whether it also displays official news releases	Yes. The Company regularly publishes information / update on its financial results and displays official news releases in the "Investors" tab.
e.	The presentations made to institutional investors or to analysts	Any presentation made to the institutional investors or / and analysts are submitted to the Stock Exchanges and also posted on the Company's website.

#### 12. GENERAL SHAREHOLDER INFORMATION

#### **Annual General Meeting**

Day, Date and Time of the AGM: Monday, September 29, 2025 at 04.30 P.M. (IST)

**Venue of the AGM**: Video Conferencing / Other Audio Visual Means pursuant to the MCA General Circular No. 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 as such there is no requirement to have a venue for the AGM.

Deemed Venue for Meeting: Registered Office of the Company.

For details, please refer to the notice of the current AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

- II. Financial Year: April 1, 2024 to March 31, 2025
- III. Record date (Cut-off Date): Monday, September 22, 2025, for the purposes as mentioned in the Notice of 33rd Annual General Meeting.
- IV. Dividend Payment Date: Date of payment of dividend if approved by members, shall be on or after Monday, September 29, 2025

#### V. Listing of Stock Exchanges:

The Company's Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited.

#### **BSE Limited** National Stock Exchange of **India Limited** Phiroze Jeejeeebhoy Exchange Plaza, Bandra Kurla Towers, Dalal Street, Mumbai - 400 001 Complex, Bandra (E), Mumbai - 400 051

The annual listing fees of the BSE and the NSE for FY 2024-25 have been paid within the prescribed timeline.

#### VI. Corporate Identification Number ('CIN') of the Company:

L15204PN1992PLC070209

# VII. In Case the Securities are Suspended from Trading, the Directors Report shall Explain the Reason thereof

Not applicable.

### VIII. Registrar and Share Transfer Agents

The Registrar and Share Transfer Agent ('RTA') of the Company, M/s. KFin Technologies Limited ('KFintech') continues to act as the Registrar and Share Transfer Agent of the Company.

RTA is responsible to handle the entire share registry work, both physical and electronic shares. Accordingly, all documents, transfer deeds, demat requests and other communications in

relation thereto should be addressed to the RTA at their office address given in the subsequent paragraph.

As an ongoing endeavour to enhance Investor experience and leverage new technology, our registrar and transfer agents, KFIN Technologies Limited has been continuously developing new applications. Here is a list of applications that has been developed for our investors.

Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms.

URL: https://ris.kfintech.com/clientservices/isc

eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the first RTA which has enabled the option and can be accessed via the link below:

URL: https://ris.kfintech.com/clientservices/isr

KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

**URL**: https://ris.kfintech.com/clientservices/isc/kycqry.aspx

KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

URL: https://kprism.kfintech.com/signin.aspx

WhatsApp: Modern technology has made it easier to communicate with shareholder across multiple levels. WhatsApp has a wider reach today with majority having a know-how of the application. In order to facilitate the shareholders KFIN has now a dedicated WhatsApp number that can be used for a bouquet of services.

WhatsApp Number: (91) 910 009 4099

#### **KFin Technologies Limited**

Unit: Parag Milk Foods Limited

Selenium Building, Tower B, Plot number 31 and 32,

Financial District, Nanakramguda, Serilingampally,

Hyderabad, Rangareddy - 500 032.

Email ID: einward.ris@kfintech.com

Phone: +180030 94001

WhatsApp Number: 091000 94099 KPRISM: https://kprism.kfintech.com

KFIN Corporate Website Link: https://www.kfintech.com Corporate Registry (RIS) Website Link: https://ris.kfintech.

com

Investor Support Centre Link: https://ris.kfintech.com/

clientservices/isc

Website: www.kfintech.com

#### A. Share Transfer System

In terms of Regulation 40(1) of the Listing Regulations, securities can be transferred only in dematerialised form with effect from April 1, 2019. Further, pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders

viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. Particulars of movement of shares in the dematerialized form are also placed before the Stakeholders' Relationship Committee. For shares held in electronic form, the transfers are processed by NSDL and CDSL through respective Depository Participants.

#### B. Shareholding Pattern as on March 31, 2025

#### a) Distribution of equity shareholding as on March 31, 2025

The broad shareholding distribution of the Company as on March 31, 2025 with respect to size of holdings was as follows:

Sr. No.	Category (Shares)	No. of Holders	% to Total No. of Shareholders	No. of Shares	% to Equity
1	1-5000	1,09,530	99.19%	2,22,05,175	18.60%
2	5001 - 10000	486	0.44%	36,36,333	3.05%
3	10001 - 20000	198	0.18%	27,86,610	2.33%
4	20001 - 30000	60	0.05%	14,82,947	1.24%
5	30001 - 40000	27	0.02%	9,39,373	0.79%
6	40001 - 50000	23	0.02%	10,74,950	0.90%
7	50001 - 100000	51	0.05%	35,69,725	2.99%
8	100001 and above	52	0.05%	8,36,80,728	70.10%
TOTAL		1,10,427	100%	11,93,75,841	100%

The quarterly shareholding patterns filed with the stock exchanges are also available on the website of the Company and on the website of the stock exchanges where equity shares of the Company are listed i.e. BSE and NSE.

#### b) Categories of Equity Shareholding as on March 31, 2025

The shareholding pattern of the Company as on March 31, 2025 with respect to categories of investors is as follows:

Category of Shareholder(s)	No. of Shareholders	No. of Shares	% of No. of Shares
(A) Shareholding of Promoter and Promoter Group			
(a) Individuals	11	5,08,61,435	42.61%
(b) Bodies Corporate	-	-	-
Total Shareholding of Promoter and Promoter Group (A)	11	5,08,61,435	42.61%
(B) Public Shareholding			
(1) Institutions			
(a) Mutual Funds	-	-	-
(b) Banks/Fl	-	-	-
(c) Venture Capital Funds	-	-	-
(d) Foreign Portfolio Investors	44	1,00,96,438	8.46%
(e) NBFCs registered with RBI	4	89,282	0.07%
<ul><li>(f) Alternative Investment Funds (Sixth Sense India Opportunities III)</li></ul>	1	81,67,245	6.84%
(g) Any others	-	-	-
Sub-Total (B)(1)	49	1,83,52,965	15.37%

	Category of Shareholder(s)	No. of Shareholders	No. of Shares	% of No. of Shares
(2)	Non-Institutions			
	(a) Bodies Corporate	414	1,12,63,442	9.44%
	(b) Directors and their relatives (excluding independent directors and nominee directors)	2	3,10,700	0.26%
	(c) Key Managerial Personnel	1	10	-
	(d) IEPF	1	1,944	-
	(e) Individuals			
	(i) Individual shareholders holding nominal share capital upto INR 2 lakh	1,06,431	2,53,78,916	21.26%
	(ii) Individual shareholders holding nominal share capital in excess of INR 2 lakh	129	99,15,413	8.31%
	(f) Non Resident Indian (NRI)	1,544	16,73,929	1.40%
	(g) Any Other (Specify)			
	(i) Clearing Members	6	846	-
	(ii) HUF	1,838	14,45,226	1.21%
	Sub-Total (B)(2)	1,10,366	4,99,90,426	41.88%
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1,10,415	6,83,43,391	<b>57.25</b> %
C) Noi	n Promoter - Non Public Shareholder			
(a)	Custodian / DR Holder	-	-	-
(b)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)	1	1,71,015	0.14%
otal Sh	nareholding of Non Promoter Non Public (C)	1	1,71,015	0.14%
otal (A	)+(B)+(C)	1,10,427	11,93,75,841	100%

# c) Top ten equity shareholders of the Company as on March 31, 2025

Sr. No.	Category (Shares)	No. of Shares	% to Equity	
NO.	M D 1 01 1	0.00.00.400	10.000/	
1	Mr. Devendra Shah	2,02,06,400	16.93%	
2	Ms. Netra Shah	1,38,67,027	11.62%	
3	Mr. Pritam Shah	91,59,888	7.67%	
4	Sixth Sense India Opportunities III	81,67,245	6.84%	
5	Peanence Commercial Private Limited	58,60,780	4.91%	
6	Multitude Growth Funds Limited	54,33,150	4.55%	
7	Mr. Poojan Shah	32,95,000	2.76%	
8	Ms. Priti Shah	22,22,820	1.86%	
9	India Insight Value Fund	21,00,000	1.76%	
10	Ms. Akshali Shah	20,00,000	1.68%	

#### C. Dematerialization of Shares and Liquidity

The Company's shares are dematerialized and shares are held with both the depositories, viz. NSDL and CDSL. As on March 31, 2025, all the shares are held in dematerialized form only.

#### D. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity

The Company does not have any outstanding GDRs / ADRs / Warrants / Convertible Instruments as on March 31, 2025. The Board, in its meeting held on April 3, 2025, subject to approval of shareholders approved the issuance of 90,00,000 (Ninety Lakh) convertible share warrants to the allottees. These warrants are convertible into an equivalent number of fully paid-up equity shares of face value ₹10 each, at an issue price of ₹179.10 per warrant (including a premium of ₹169.10).

#### E. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities

The Company does not deal in any commodities. The Company does not carry out any hedging activities for the same. The Company does have forex transactions carried out and does not have any hedging activities.

#### F. Plant Locations

The Company has the following Manufacturing and Operating Divisions as on March 31, 2025:

Sr. No.	Plant	Locations
1.	Plant 1	Manchar Plant: Awasari Phata, Post Manchar, Tal. Ambegoan Dist., Pune, Maharashtra - 410503
2.	Plant 2	Palamaner Plant: 149/1, Samudra Palli (Village), Pengaragunta (P.O.), Palamaner (Mdl), Chittoor (Dist.), A.P 517408
3.	Plant 3	Sonipat Plant: Plot No. 2266-2268, Food Park, Phase-2, HSIIDC Industrial Estate - Rai, Sonipat, Haryana - 131029

#### G. Address for Correspondence / Investor Correspondence

- All Members correspondence should be forwarded to M/s. KFin Technologies Limited, the Registrar and Transfer Agent of the Company or to the Investor Relations team at the Corporate Office of the Company at the addresses mentioned below.
- The Company's dedicated e-mail address for Investors' Complaints and other communications is investors@parag.com
- SEBI vide its circular dated March 26, 2018 issued measures w.r.t. SEBI Complaints Redress System ('SCORES'). As
  per the process measures, SEBI requested the Members to approach the Company directly at the first instance for
  their grievances.

#### KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)

Unit: Parag Milk Foods Limited Selenium Building, Tower B, Plot number 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy - 500 032.

Email: einward.ris@kfintech.com Telephone: +1800 309 4001 Website: www.kfintech.com WhatsApp No. (91) 910 009 4099

# Compliance Officer Mr. Virendra Varma

Company Secretary and Compliance Officer E-mail: cs@parag.com Telephone:(022) 43005555

# Investor Relations Mr. Brian Dpenha

Head-Investor Relations E-mail: investors@parag.com Telephone: (022) 43005555

#### H. Credit Rating

All details of credit ratings obtained by the Company including any revisions thereto, during FY 2024-25, have been included in the Directors Report forming part of this Integrated Annual Report.

# 13. OTHER DISCLOSURES

1.	Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.	Nil
2.	Details of non-compliance by the Company, penalties, strictures imposed on it by stock exchange(s) or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	There was no non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
3.	Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee	The Company's Whistleblower Policy meets the requirement of the vigil mechanism framework prescribed under the Act and the Listing Regulations. The Whistleblower Policy is hosted on the Company's website, www.paragmilkfoods.com, The Policy aims to provide an appropriate platform and protection to whistleblowers to report instances of any actual or suspected incidents of unethical practices, violation of applicable laws and regulations. The Policy also provides for adequate safeguards against victimization of the whistleblower.
		All Employees and Directors have access to Chairperson of the Audit Committee. No Complaints has been received by the Audit Committee from any employee of the Company.
4.	Details of compliance with mandatory requirements and adoption of Non-mandatory requirements	The Company has disclosed and complied with all the mandatory requirements under Listing Regulations with regard to Corporate Governance and the details of these compliances have been given in the relevant sections of this report and adoption of non-mandatory requirements is given in point 16 below.
5.	Web link where policy for determining material' subsidiaries is disclosed	The Company has formulated a policy for determining material subsidiaries in terms of Regulation 16 of the SEBI Listing Regulations. This Policy is hosted on the Company's website and which can be accessed at https://www.paragmilkfoods.com/policy.php?id=13
		The Audit Committee and Board reviews the financial statements, significant transactions and minutes of the subsidiary.
6.	Web link where policy on dealing with related party is disclosed	The policy for dealing with Related Party transactions is disclosed at company's website and which can be accessed at https://www.paragmilkfoods.com/policy.php?id=40
7.	Disclosure of commodity price risks and commodity hedging activities	Not applicable, as the Company is not dealing with any "commodities"
8.	Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)	Not Applicable
9.	A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority	The Company has received a certificate from M/s. N. L. Bhatia and Associates, Practising Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority. The certificate is annexed to this Report.
10.	Where the board had not accepted any recommendation of any committee of the board which is mandatorily required in the relevant financial year, the same to be disclosed along with reasons thereof	During the year, there has been no occasion where the Board has not accepted any recommendation of any of the committees.

1.	Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory	The Audit Fees paid to M/s. Sharp and Tannan, Statutory Auditors for FY 2024-25:
	auditor and all entities in the network firm / network entity of which the statutory auditor is a part	(i) Parag Milk Foods Limited - Total Audit Fees - ₹0.45 Crore Statutory Audit Fees - ₹0.33 Crore Limited Review Fees - ₹0.12 Crore
		(ii) Bhagyalaxmi Dairy Farms Pvt. Ltd ₹0.09 Crore
2.	Disclosures in relation to the Sexual Harassment of Women during FY 2024-25:	at Workplace (Prevention, Prohibition and Redressal) Act, 2013
	(i) Number of complaints filed	Nil
	(ii) Number of complaints disposed of	Nil
	(iii) Number of complaints pending	Nil
3.	Disclosure by Company and its subsidiaries of Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Note No. 7 to the standalone financial statements.
4	Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.	Not Applicable as there is no Material Subsidiary of the Company as on March 31, 2025.
5.	Non-compliance of any requirement of corporate governance report of sub-paras mentioned above, with reasons thereof shall be disclosed.	Our company is fully compliant with Listing Regulations and there are no such non-compliances. Not applicable, since all the requirements have been complied with.
16.	Extent to which the Discretionary requirements as specified in Part E of Schedule II have been adopted.	<ul> <li>i) The Board:         Chairman of the Company being on Executive position the provision on entitlement of chairperson's office a the expense of the Company in case of a non-executive chairperson is not applicable.</li> <li>ii) One-woman Independent Director:         As an March 31, 2025, the Company have Ms. Padhile.</li> </ul>
		As on March 31, 2025, the Company have Ms. Radhika Dudhat serving as the Woman Independent Director or Board of Directors.
		iii) Shareholder Rights: The Company has not adopted the practice of sending out half - yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to the Stock Exchanges and updated or the website of the Company.
		iv) Modified Opinion(s) in Audit Report: There are no modified opinions in audit report.
		v) Separate posts of Chairperson and the Managing Directo or the Chief Executive Officer:
		The Company has appointed separate persons to the post of Chairperson and Managing Director. However, the Chairperson is an Executive Director and related to the Managing Director.
		vi) Reporting of Internal Auditor: In accordance with the provisions of Section 138 of the Act, the Company has appointed an Independent Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the reports and suggests necessary action.
		vii) Risk Management The Company has constituted Risk Managemen Committee as per Listing Regulation 21. The details w.r.t composition, roles and responsibilities are provided in this Report.

17.	Directors and Officers Liability Insurance	In line with the requirements of Regulation 25(10) of the Listing Regulations, the Company has in place a Directors and Officers Liability Insurance policy on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any personal liability coming on to them whilst discharging fiduciary responsibilities in relation to the Company.
18.	The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 (2) of Listing Regulations	The Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations in the respective places in this Report.
19.	Disclosure of certain types of agreements binding the Company	For FY 2024-25, disclosure under this section was not applicable.

- 14. Declaration signed by the Managing Director stating that the members of the board of directors and the senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management is annexed to this report (CEO/ CFO Certification).
- 15. Compliance certificate obtained from M/s. N. L. Bhatia and Associates, a firm of practising company secretaries, regarding compliance of conditions of corporate governance, is annexed to this report.

#### 16. Unclaimed Dividend

In terms of the provisions of the Companies Act, 2013, dividends remaining unpaid / unclaimed for a period of 7 (Seven) years have to be statutorily transferred to the Investor Education and Protection Fund ('IEPF') and such shares in respect of which dividend entitlements remained unclaimed for 7 (Seven) consecutive years or more are also required to be transferred by the Company to the Investor Education and Protection Fund, administered by the Central Government. To ensure maximum disbursement of unclaimed dividend, the Company regularly sends reminder to the relevant investors.

Unclaimed Dividend in respect of the Financial Year 2017-18 (Final) and the shares in respect of which dividend entitlements remain unclaimed for seven consecutive years will be due for transfer to the IEPF on October 20, 2025 in terms of Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Members who have not encashed their Final Dividends in respect of the financial year ended March 31, 2018 or any subsequent year(s) are requested to lodge their claims with the Company.

A separate communication in this regard would also be sent to the Shareholders of the Company who have not encashed their dividend warrants, providing them details of the unencashed warrants and requesting them to comply with the procedure for seeking payment of the same. In respect of final dividend for the financial year ended March 31, 2018, it will not be possible to entertain claims which are received by the Company after October 20, 2025.

Members are advised that in terms of the provisions of Section 124 of the Companies Act, 2013, once unclaimed dividend and shares are transferred to IEPF, no claim shall lie against the Company in respect thereof. However, members may apply for the same with the IEPF authority by making an application in the prescribed web Form No. IEPF-5.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2025 on the Company's website at www.paragmilkfoods.com. The details of unpaid and unclaimed amounts lying with the Company as on March 31, 2025 shall be updated within the prescribed timeframe from the date of ensuing AGM.

Details of Unclaimed Dividend as on March 31, 2025 and due dates for transfer are as follows:

Sr. No.	FY to which Dividend pertains	Unclaimed Amount (₹)	Date of transfer to IEPF
1.	2023 -24	22,26,456	October 17, 2031
2.	2020-21	54,603	October 14, 2028
3.	2019-20	92,440	October 6, 2027
4.	2018-19	54,326	October 31, 2026
5.	2017-18	40,277	October 20, 2025

Disclosure with respect to demat suspense account / unclaimed suspense account

	Particulars	No. of Shareholders	No. of Equity Shares
a)	Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2024	Nil	Nil
b)	Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	Nil	Nil
c)	Number of shareholders to whom the shares were transferred from the Unclaimed Suspense Account during the year	Nil	Nil
d)	Number of shareholders whose unclaimed dividends were transferred to the IEPF account in terms of Ministry of Corporate Affairs General Circular No. 12/2017 dated October 16, 2017	Nil	Nil
e)	Aggregate number of shareholders and the outstanding Shares lying in the Unclaimed Suspense Account as on March 31, 2025	Nil	Nil
f)	It is hereby confirmed that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	N.A.	N.A

For and on behalf of the Board of Parag Milk Foods Limited

**Devendra Shah Chairman**DIN: 01127319

May 2, 2025 Mumbai

# **DECLARATION BY MANAGING DIRECTOR ON COMPLIANCE WITH** THE COMPANY'S CODE OF CONDUCT

To, The Members of

**Parag Milk Foods Limited** 

The Company has formulated a Code of Conduct for Board of Directors and Senior Management Personnel of the Company. The Code has been posted on the Website of the Company. It is hereby affirmed that all Directors and Senior Managers have complied with the Code of Conduct framed by the Company and a confirmation to this effect for the year 2024-25 has been obtained from all the Directors and Senior Management Personnel.

For Parag Milk Foods Limited

**Pritam Shah** Managing Director and Interim CFO DIN: 01127247

May 2, 2025 Mumbai

# MANAGING DIRECTOR / CFO CERTIFICATE

To, The Board of Directors,

#### **Parag Milk Foods Limited**

I, Pritam Shah - Managing Director and Interim CFO of Parag Milk Foods Limited, to the best of my knowledge and belief, certify that:

- 1) I have reviewed the Financial Statements for the Financial Year ended March 31, 2025 and to the best of my knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- 2) To the best of my knowledge and belief, no transactions entered into by the Company during the Financial Year ended March 31, 2025 are fraudulent, illegal or violates the Company's code of conduct.
- 3) Iaccept responsibility for establishing and maintaining Internal Controls for Financial Reporting and I have evaluated the Effectiveness of Internal Control Systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- 4) I have indicated to the auditors and the Audit Committee that:
  - a. There has not been any significant change in internal control over financial reporting during the year under reference;
  - b. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - c. I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Parag Milk Foods Limited

**Pritam Shah**Managing Director and Interim CFO
DIN: 01127247

May 2, 2025 Mumbai

# CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To. The Members,

Parag Milk Foods Limited,

Flat No.1. Plot No.19. Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar Pune-411016

We, M/s. N. L. Bhatia and Associates, Practising Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Parag Milk Foods Limited having CIN: L15204PN1992PLC070209 and having registered office at Flat No.1, Plot No.19, Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar, Pune - 411016 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number ('DIN') status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Devendra Shah	01127319	29/12/1992
2.	Mr. Pritam Shah	01127247	29/12/1992
3.	Ms. Akshali Shah	06575079	25/12/2022
4.	Mr. Narendra Ambwani	00236658	26/05/2015
5.	Ms. Radhika Dudhat	00016712	26/05/2015
6.	Mr. Nitin Dhavalikar	07239870	28/07/2015
7.	Mr. Nikhil Vora	05014606	20/08/2021
8.	Mr. Dnyanesh Darshane	08515431	25/12/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

May 2, 2025 Mumbai

For M/s N. L. Bhatia and Associates

**Practising Company Secretaries** UIN: P1996MHO55800 P/R No.: 6392/2025

**Bharat Upadhyay** 

Partner FCS: 5436 CP. No.: 4457 UDIN: F005436G000251693

# CERTIFICATE ON CORPORATE GOVERNANCE

To, The Members,

#### **Parag Milk Foods Limited**

We have examined all the relevant records of Parag Milk Foods Limited ('the Company') for the purpose of certifying compliance of the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') for the period from April 1, 2024 to March 31, 2025. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

May 2, 2025 Mumbai For M/s N L Bhatia and Associates

Practising Company Secretaries UIN: P1996MHO55800 P/R No.: 6392/2025

#### **Bharat Upadhyay**

Partner FCS: 5436 CP. No. 4457 UDIN: F005436G000251704

# **BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

# **Section A**

# **Section B**

# Section C

**General Disclosures** 

**Management and** process disclosures

**Principle Wise Performance Disclosure** 

Principle 1	Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable
Principle 2	Businesses should provide goods and services in a manner that is sustainable and safe
Principle 3	Businesses should respect and promote the well-being of all employees, including those in their value chains
Principle 4	Businesses should respect the interests of and be responsive to all its stakeholders
Principle 5	Businesses should respect and promote human rights
Principle 6	Businesses should respect and make efforts to protect and restore the environment
Principle 7	Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
Principle 8	Businesses should promote inclusive growth and equitable development
Principle 9	Businesses should engage with and provide value to their consumers in a responsible manner

# **SECTION A: GENERAL DISCLOSURES**

# 1) DETAILS OF THE ENTITY

S. No	Particulars	Response
1.	Corporate identity Number (CIN) of the Entity	L15204PN1992PLC070209
2.	Name of the Entity	Parag Milk Foods Limited ('Company' / 'Parag' / 'PMFL')
3.	Year of incorporation	1992
4.	Registered office address	Flat No.1, Plot No.19, Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar, Pune, Maharashtra- 411016
5.	Corporate office address	10 <sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai-400021
6.	E-mail	investors@parag.com
7.	Telephone	022 - 4300 5555
8.	Website	www.paragmilkfoods.com
9.	Financial year for which reporting is being done	2024-25
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited ('BSE') National Stock Exchange of India Limited ('NSE')
11.	Paid-up Capital	₹119,37,58,410 (Divided into 11,93,75,841 equity shares of ₹10 each).
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. Virendra Varma Telephone: 022 - 4300 5555 Email address: investors@parag.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	The disclosure under this report is on standalone basis for Parag Milk Foods Limited, unless otherwise specified.
14.	Name of assurance provider	None
15.	Type of assurance obtained	N.A.

# 2) PRODUCTS/SERVICES

# 16. Details of business activities (accounting for 90% of the turnover):

Description of Main Activity	Description of Business Activity	% of Turnover of the entity
Manufacturing	Leading Dairy FMCG, Parag Milk Foods Limited, established in 1992, is the largest private dairy FMCG Company with a pan-India presence. The Company's manufacturing facilities with in-house technology which are strategically located at Manchar in Maharashtra and Palamaner in Andhra Pradesh. The Company sells 100% cow's milk products that are healthy and nutritious. Integrated business model and strong R&D capabilities have helped the Company emerge as a leader in innovation. The Company's dairy farm, Bhagyalaxmi Dairy Farms Private Limited houses more than 5,000 cows, with a mechanized milking process. The Company offers traditional products like Ghee, Dahi, Paneer, Liquid Milk, etc. under brand "Gowardhan", and products like Cheese, UHT Milk, Buttermilk, Lassi, Flavoured Milk Shakes, etc. under the brand name "Go". "Pride of Cows", the flagship brand of the Company based on proposition of Farm to Home concept targets customers seeking premium quality dairy products. The Company is also present in Whey Protein based sports nutrition under the brand Avvatar – India's 1st 100% vegetarian whey protein. The Company's goal is to become the global nutrition provider and become the largest dairy FMCG Company that emphasizes health and nutrition to consumers through quality and innovation.	100%

#### 17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of dairy products	1050	100%









#### 3) OPERATIONS

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of depots	Number of offices	Total
National	3	29	10	42
International	NIL	NIL	NIL	NIL

The company's plants are strategically located at the milk belt of Manchar, Palamaner and Sonipat.

The registered office of the Company is situated at Pune, Maharashtra.

#### 19. Markets served by the entity:

#### **Number of locations**

Locations	Number
National (No. of States)	Our Company has a presence in all the States and Union Territories of India, demonstrating our comprehensive coverage and commitment to serving customers throughout the nation.
International (No. of Countries)	18 International Markets

#### b) Contribution of exports:

What is the contribution of exports as a percentage of the total turnover of the entity?	2.68%

#### c) Type of Customers

#### A brief on types of customers

#### Consumers-

We develop and market innovative products under our portfolio of brands, delivering joy, health, and nutrition to our consumers. Our diverse product range includes dairy products, milk-based sweets, and India's first whey protein-based nutrition brand. Through strategic premiumization, we have enhanced our offerings to meet evolving consumer needs.

#### **Retailers and Distributors-**

With an extensive and robust distribution network comprising 29 strategically located depots, over 500 super stockists, and an extensive network of more than 4,500 distributors, our company effectively reaches and serves an extensive network of over 4.6 lakh retail counters across diverse geographical locations.

#### **Institutional Customers-**

Our Company has successfully forged strong partnerships with reputable institutional and HORECA (Hotels, Restaurants, and Catering) customers. These valued customers rely on our exceptional product portfolio, including cheese, skim milk powder and whey products, to fulfil their distinct requirements and elevate their culinary offerings.

# 4) EMPLOYEES

# 20. Details at the end of the year of Financial year:

### a) Employees and workers (including differently abled):

S.	Particulars	Total (A)	M	lale	Female		
No			No. (B)	% (B / A)	No. (C)	% (C / A)	
			Employees				
1.	Permanent (D)*	1,563	1,398	89.44%	165	10.56%	
2.	Other than Permanent (E)	516	229	44.38%	287	55.62%	
3.	Total employees (D + E)	2,079	1,627	78.26%	452	21.74%	
			Workers				
1.	Permanent (F)	406	405	99.75%	1	0.25%	
2.	Other than Permanent (G)	341	145	42.52%	196	57.48%	
3.	Total workers (F + G)	747	550	73.63%	197	26.37%	

 $<sup>{\</sup>it *Permanent employees exclude the Board of Directors.}$ 

### b) Differently abled Employees and workers:

S.	Particulars	Total (A)	M	ale	Female	
No			No. (B)	% (B / A)	No. (C)	% (C / A)
		Differe	ently Abled Empl	oyees		
1.	Permanent (D)	1	-	-	1	100%
2.	Other than Permanent (E)	-	-	-	-	-
3.	Total employees (D + E)	1	-	-	1	100%
		Diffe	rently Abled Wor	kers		•
1.	Permanent (F)	7	7	100%	-	-
2.	Other than Permanent (G)	-	-	-	-	-
3.	Total workers (F + G)	7	7	100%	-	-

# 21. Participation/Inclusion/Representation of women:

Category	egory Total (A) No. and percentage of I				
		No. (B)	% (B / A)		
Board of Directors*	8	2	25%		
Key Management Personnel**	1	-	-		

<sup>\*</sup> Board of Directors includes Chairperson, MD, One Executive Director and Five Non-Executive Directors

### 22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

		FY 2024-25 er rate in cui		FY 2023-24 (Turnover rate in previous FY)			FY 2022-23 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	41%	18%	39%	35%	18%	33%	41%	43%	41%
Permanent Workers	6%	-	6%	4%	7%	4%	7%	-	7%

<sup>\*\*</sup> KMP includes Company Secretary

# 5) HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

### 23. Names of holding / subsidiary / associate companies / joint ventures:

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Bhagyalaxmi Dairy Farms Private Limited	Wholly Owned Subsidiary	100%	No, nevertheless, the unlisted private subsidiary independently undertakes its own business responsibility initiatives while ensuring alignment with the company's environmental, social, and governance (ESG) initiatives.
2.	Parag Foods Middle East FZE	Wholly Owned Subsidiary	100%	Not Applicable as the entity is yet to commence its operations.

# 6) CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS

#### 24.

S. No.	Requirement	Resp	onse	
1.	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes		
2.		Current Year (FY 2024-25)	Previous Year (FY 2023-24)	
	Turnover (₹ in Crore)	3,367.40	3,089.82	
***************************************	Net worth (₹ in Crore)	1,030.24	912.66	

# 7) TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible **Business Conduct:**

Stakeholder group from	Grievance Redressal Mechanism in Place (Yes/	Cu	FY 2024-25 urrent Financial Year		FY 2023-24 Previous Financial Year				
whom complaint is received	No) (If Yes, then provide web-link for grievance redress policy)	Number of complaints complaints filed during pending the year resolution at close of the year		Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks		
Communities	Yes	-	-	-	-	-	-		
Investors and shareholders	https://www.paragmilkfoods.com/investors.php under	1	-	*	12	-	*		
Employees and workers	Corporate Governance > - Policies tab	-	-	-	-	-	-		
Customers		2,219**	-	*	1,250**	-	*		
Value Chain Partners		-	-	-	-	-	-		

<sup>\*</sup>All the complaints received have been successfully addressed and resolved.

<sup>\*\*</sup>Includes all kinds of complaints that have been filed by customers with respect to delivery of milk and all consumer queries, product related information, complaints, and services received through phone, emails.

Our Company has developed an all-encompassing Stakeholder Management Policy aimed at establishing a structured framework for addressing concerns and grievances expressed by both internal and external stakeholders. This policy has been designed to proactively mitigate any potential social risks that could have a negative impact on Parag's operations.

For more detailed information, please refer to Parag's Stakeholder Management Policy, accessible at: https://www.paragmilkfoods. com/policy.php?id=69

#### 26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

o. issue wh	Indicate hether risk opportunity (R/O)	Financial implications of the risk opportunity (Indicate positive o negative implications)				
GHG Emission	ns					
	Risk	Greenhouse gas (GHG) emissions pose several risks for dairy companies, which contribute significantly to global emissions.  Climate change intensifies due to GHG emissions, leading to shifting weather patterns.  These shifts compromise the availability and quality of essential resources like water and feed crops for dairy cattle.  Rising temperatures increase heat stress in cattle, negatively affecting their health and productivity.	To mitigate GHG emissions risks, PMFL is taking the following actions:  Enhancing feed efficiency  Improving the nutritional content and digestibility of cattle feed to reduce enteric methane emissions per unit of milk produced.  Implementing precision feeding techniques to minimize waste and optimize animal performance.  Decreasing manure emissions  Utilizing better manure management practices such as composting and anaerobic digestion to reduce methane and nitrous oxide emissions.  Exploring technologies that capture and reuse biogas for energy.  Using 45% clean renewable energy in operations  Transitioning to solar, wind, and other renewable sources to power processing plants and other facilities.  Reducing reliance on fossil fuels, thereby lowering the company's carbon footprint.  Implementing conservation measures  Promoting land stewardship practices that preserve soil health and biodiversity.  Investing in sustainable agriculture and regenerative practices across the supply chain.  Optimizing water usage  Installing water-efficient systems and recycling water wherever possible in production and cleaning processes.  Monitoring water usage to reduce waste and ensure sustainable consumption.  Addressing public concerns about ecological impact  Increasing transparency through sustainability reports and public	Negative  The impact of GHG emissions of climate change can create supportain disruptions. Extreme weath events like droughts and flood can affect feed availability, miproduction, and transportation logistics, resulting in input convolatility and potential shortages.		

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Water Mar	nagement			
		Risk	Effective water management is crucial in the dairy industry for maintaining hygiene, product quality, and sustainability.  Poor water quality can harm the taste, texture, and shelf-life of dairy products, impacting brand reputation.  Water scarcity challenges animal welfare and farm profitability, as dairy farming relies heavily on water.  Unsustainable water usage and wastewater disposal	To address water management risks, PMFL has implemented various strategies, including water conservation practices, monitoring water usage, and implementing water management plans.  As a result, it has significantly reduced water consumption per litre of milk handled.  Approximately 55% of the unit's water usage is sourced from recycled sources, demonstrating commitment to responsible water management and environmental preservation.  This achievement is driven by recycling and reusing ETP-treated water for gardening, agriculture, and cleaning milk storage	Poor water management can lead to significant negative financial consequences for a company operating in the dairy industry. Dairy production is heavily water-intensive, requiring large quantities for livestock, cleaning, processing, and cooling activities.  Scarcity of water resources can further disrupt production schedules, limit livestock health and milk yield, and cause raw material supply constraints, leading to lower output and revenue losses.
			can lead to pollution and ecosystem degradation.	tankers, adoption of the Zero Liquid Discharge principle.	
3.	Waste Ma	nagement		Ţ	
		Risk	Improper disposal of dairy waste can result in environmental pollution, contaminating water sources and harming local ecosystems. Health hazards emerge as manure accumulation becomes a ground for pathogens, posing threats to both livestock and nearby communities.	To mitigate the risk, PMFL has implemented effective waste management system by implementing end-to-end operations generate Fly ash, ETP Sludge, Paper waste and Plastic waste and treat them responsibly.	Poor waste management practices can result in significant financial risks for a company operating in the dairy industry. The production process generates substantial waste, including manure, wastewater, packaging materials, and byproducts from processing activities.
4.	Product Q	uality and Safet	y	<u> </u>	
		Risk and Opportunity	Product quality and safety can pose both risks and opportunities for our Company. Here are some reasons:  Risk:  Food safety concerns, Cost of compliances, include hiring personnel, implementing quality control measures, and investing in technology to ensure product safety.  Opportunity:  Our Company differentiates themselves from competitors and establish a competitive advantage. Consumers are willing to pay more for products that are perceived to be of higher quality and safe. Prioritizing product quality and safety encourages innovation and differentiation within the industry.	Implementing quality control measures, Investing in technology, Developing a robust crisis management plan, educating employees and collaborating with regulators.	Positive and Negative Positive  Prioritizing product quality and safety creates strong positive financial implications for the company. By differentiating themselves from competitors through superior quality and safe products, the company is able to build greater trust and loyalty among consumers, leading to more stable and consistent sales volumes. A strong focus on quality and safety encourages internal innovation and continuous improvement, resulting in the development of new and improved products that can capture additional market share.  Negative  Food safety concerns and the associated cost of compliances can lead to significant negative financial implications for a company.  Implementing strict quality control measures and acquiring advanced technologies for monitoring, testing, and traceability require substantial capital investment.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5.	Customer	Welfare			
		Opportunity	Customer welfare presents a significant opportunity for our Company to improve their financial performance and grow their business. By prioritizing customer needs, dairy companies can build trust and loyalty with customers, increase sales and revenue, and enhance their brand reputation and market positioning, which can all contribute to long-term success.		Positive  Focusing on customer welfare has positive financial implications for a company in the dairy industry.  By ensuring that products are safe, nutritious, and responsibly produced, the company builds stronger trust and loyalty among consumers, leading to repeat purchases and long-term customer relationships.  As part of our commitment to public health and well-being, the company places a strong emphasis on addressing nutritional deficiencies through our product offerings. By delivering high-quality, nutrient-rich dairy products, we aim to support better nutrition outcomes across the communities we serve.  This proactive approach not only aligns with our mission to promote healthier lifestyles but also plays a vital role in enhancing customer trust and loyalty.
ò.	Competiti	ve Behaviour	***************************************		
		Opportunity	Competitive behaviour is an opportunity for our Company, as it can lead to innovation, increased market share, improved efficiency, higher customer satisfaction, and overall industry growth.	-	Positive  Competitive behaviour creates positive financial implications for the company by driving innovation, operational improvements, and market expansion.  In responding to competition, the company is encouraged to develop better products, optimize processes, and enhance customer service-actions that attract new customers and strengthen existing customer loyalty. As part of this strategy, the company is actively prioritizing new product development, ensuring that it remains agile and responsive to evolving consumer needs and market trends.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)				
7.	Data Priva	cy and Security							
		Risk	Ensuring the security of data across the entire value chain-particularly customer data-is critical to the continuity and integrity of our business operations. Any breach of data privacy could lead to the exposure of sensitive company information, resulting in potential fraud, operational disruptions, and reputational damage.  With the company's product-Avvatar also being sold through online platforms, the importance of robust data privacy and cybersecurity measures is significantly heightened. We continue to invest in advanced IT infrastructure, secure payment systems, and compliance with relevant data protection regulations to mitigate these risks and uphold the trust our customers place in us.	The Company has implemented a cyber security policy to prevent any possible cyber-attack, data breach or any sabotage attempt to disrupt business processes.  The Company has also developed a proper business continuity plan which includes building of redundancy for entire IT infrastructure and network.	Negative  Data breaches pose significant financial risks to the company, including potential regulatory fines, legal liabilities, and operational disruptions—particularly critical given our growing online presence through the Avvatar brand.  A serious breach can lead to loss of customer trust, reduced sales, and long-term reputational damage.  These risks underscore the importance of robust data protection measures as a key element of our business continuity and financial resilience strategy.				

# **SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the National Guidelines on Responsible Business Conduct ('NGBRC') Principles and Core Elements.

S. No	Disclosure Questions	P1	P2	Р3	P4	P5	<b>P</b> 6	P7	P8	P9	
	Policy and manage	ment pro	cesses	;							
1.	Whether your entity's policy/policies cover each principle and it core elements of the NGRBCs. (Yes/No)	s Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
	c) Web Link of the Policies, if available		https://www.paragmilkfoods.com/investors.php under Corporate Governance > Policies tab								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes,	Yes, the Company has translated the policies into procedures.								
3.	Do the enlisted policies extend to your value chain partners? (Yes / No)		Yes, these extend to value chain partners wherever it is relevent to the extent applicable.					s relevar	nt and		
4.	Name of the national and international codes /certifications/ labels standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Allianc Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by you entity and mapped to each principle.	e, <u>v</u>	Food Safety Management System ISO: 22000:2018, Halal Certificate 1500-2019.	Occupational Health and Management Systems OHSAS 45001:2018.	Our Company's operations adhere to the National Guidelines on Responsible Business	Our Company's operations adhere to the NGBRC.	Environmental Management Compliance System ISO: 14001:2015, Certification on Energy Management 50001:2018.	Our Company's operations adhere to the NGBRC.	Our Company's operations adhere to the NGBRC.	Our Company's operations adhere to the NGBRC.	

5. Specific commitments, goals and targets set by the entity with defined timelines.	s. if anv-
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Specific commitments, goals and targets	Base Year	Target Year	Expected Results
Environment			
Water Management To optimise water management practices and ensure the efficient and sustainable use of water resources within our company.	2024-25	2026-27	Reduction in Water Consumption  By the year 2027, we are committed to achieving a 10% reduction in the water required for each litre of milk processing. This initiative aligns with our broader sustainability objectives and reflects our ongoing efforts to optimize water use across our operations.  Increase in Water Recycling
			We aim to increase the recycling of water by 10% by 2027. This strategy will contribute significantly to enhancing resource efficiency and reducing our environmental footprint, ensuring that we meet both operational needs and sustainability targets.
Waste Management	2024-25	Short Term	Waste Reduction
To establish effective waste management practices within our company, focussing on waste reduction, recycling responsible disposal and minimising environment impacts.		Target-2027-28 Long Term Target-2029-30	We aim to reduce overall waste generation by 10% by the year 2027 through structured process optimization and targeted waste reduction initiatives. This approach reflects our commitment to operational efficiency and environmental responsibility.
			Increase in Waste Recycling
			We are enhancing our waste recycling efforts by promoting the reuse of materials within our operations and actively exploring opportunities to implement circular economy practices. These efforts are intended to reduce landfill dependency and promote sustainable resource use.
			Packaging Material Optimization
			Our goal is to improve overall packaging material consumption by 2% by 2026, with a longer-term objective of achieving a 5% improvement per metric ton by the year 2030. These targets will be met through innovations in packaging design and material efficiency.
			Transition to Recyclable Packaging
			We are committed to transitioning to 100% recyclable packaging materials by the year 2030. This initiative supports our broader environmental goals and reinforces our dedication to sustainable product stewardship.
Energy Management	2024-25	Short Term	Green Energy Sourcing
To achieve efficient energy management practices within our company, focussing on optimising energy use, reducing consumption, promoting energy efficiency and increasing the adoption of renewable energy sources.		Target-2027-28 Long Term Target-2029-30	By 2027, we aim to source 45% of our electricity from green energy solutions, including solar and biogas. Looking ahead, our goal is to ensure that 75% of our total electrical energy comes from renewable sources, and by 2030, we plan to source 50% of our overall energy needs-including thermal and electrical energy-from clean and sustainable sources.

	Specific commitments, goals and targets	Base Year	Target Year	Expected Results					
				Reduction in Non-Renewable Energy Consumption					
				We are targeting a 20% reduction in non- renewable energy consumption through strategic investments in renewable energy infrastructure, such as the installation of solar panels and biogas plants. In addition, we are actively exploring green energy procurement partnerships to accelerate our transition toward a low-carbon energy mix.					
				<b>Energy Monitoring and Reporting</b>					
				To support our energy efficiency goals, we will implement comprehensive energy monitoring and reporting systems. These systems will help track consumption patterns, identify opportunities for energy optimization, and improve accountability across operations.					
6.	Performance of the entity against the specific commitments, goals and targets								
	along-with reasons in case the same are not met			n in particulate matter from air emissions, uality and environmental performance.					
		Attained a 29% decrease in Scope 1 and Scope 2 greenhouse gas emission compared to the previous year, reflecting ongoing efforts in energy efficience and emission control.							
			o increase the use ronmental impact	e of renewable resources across operations to					
		•	•	nent to customer welfare by focusing on high- roducts that align with our sustainability values					

#### Governance, leadership and oversight

Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements

"At Parag Milk Foods Limited, we believe that sustainable growth is the foundation of long-term success. Over the past year, we have taken decisive steps to reduce our environmental footprint while delivering value to our customers and communities. We achieved a 52% increase in energy consumption from renewable sources, a 29% reduction in Scope 1 and Scope 2 emissions, and a 13.5% decrease in particulate matter from air emissions. These achievements are a direct result of our investments in solar and biogas energy, use of wood briquettes, and adoption of more eco-friendly refrigerants. Our biogas generation initiatives-across ETP plants and farms-not only support internal energy needs but also empower over 250 milk producers through integrated renewable energy systems, reducing their dependence on conventional fuels. We are proud to say that these efforts reflect our unwavering commitment to environmental responsibility.

In parallel, we continue to prioritize customer welfare by focusing on nutrition, product quality, and sustainable sourcing. With a strong emphasis on new product development, we are responding to evolving consumer needs while maintaining high standards of hygiene, sanitation, and quality control. Our competitive approach drives continuous improvement across operations, from packaging innovations to waste reduction and water conservation. By reducing water consumption per litre of milk, increasing water recycling, and transitioning toward 100% recyclable packaging by 2030, we are not just meeting compliancewe are shaping a future our stakeholders can be proud of. These efforts reflect our mission to grow responsibly while creating lasting positive impact for our customers, partners and the planet."

> - Pritam Shah, Managing Director (DIN: 01127247)

8. for implementation and oversight of the Business Responsibility policy(ies).

Details of the highest authority responsible The Risk Management Committee is the highest authority responsible for implementation and oversight of the Business Responsibility policies.

**Does the entity have a specified Committee** of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details

Risk Management Committee ('RMC') is entrusted with the task of making decisions on sustainability-related issues. In addition to this, the committee ensures that the organization adheres to all applicable sustainability regulations and laws and takes necessary action on related issues.

Name	Designation
Ms. Radhika Dudhat *	Non-Executive - Independent Director
Mr. Pritam Shah	Managing Director
Mr. Nitin Dhavalikar	Non-Executive - Independent Director
Mr. Dnyanesh Darshane #	Non-Executive - Independent Director
Ms. Akshali Devendra Shah	Executive Director
Ms. Namrata Garud <sup>®</sup>	Non-Executive - Independent Director

<sup>\*</sup> Ms. Radhika Dudhat ceased to be Chairperson and Member of RMC w.e.f. May 2, 2025.

#### 10. Details of Review of NGRBC by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)									
	P1	P2	Р3	P4	P5	P6	<b>P7</b>	P8	<b>P</b> 9	P1	P2	P3	P4	P5	P6	<b>P7</b>	P8	P9
Performance against above policies and follow up action	Yes, performance against enlisted policies and necessarily follow up actions are duly reviewed by the Risk and Management Committee.						Half yearly											
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Yes, we comply with statutory requirements relevant to the principles with regard to Statutory requirements and review was undertaken by the Board of Directors.						s Half yearly											

#### 11. Independent assessment/ evaluation of the working of its policies by an external agency:

Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency		P2	<b>P</b> 3	P4	P5	<b>P</b> 6	P7	P8	<b>P</b> 9	
	Yes, all the policies of the Company are internally evaluated J. Sundharesan and Associates, specialising in Compliance Governance and Sustainability advisory has reviewed assessed the working of the policies.									

#### 12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	Р3	P4	P5	<b>P</b> 6	<b>P</b> 7	P8	<b>P</b> 9
The entity does not consider the principles material to its business (Yes/No)			1					J	J
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-NA-								
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

<sup>#</sup> Mr. Dnyanesh Darshane recategorized as Chairman of RMC w.e.f. May 2, 2025.

<sup>&</sup>lt;sup>®</sup> Ms. Namrata Garud inducted as a member of RMC w.e.f. May 2, 2025.

# NGRBC Principle-wise Mapping

Principle	Description	Parag Milk Foods
P1	Ethics, Transparency and Accountability: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	<ul> <li>Anti Corruption Policy</li> <li>Whistle Blower Policy</li> <li>Policy on Code of Conduct for Board Directors and Senior Management</li> <li>Policy on prohibition of Insider Trading</li> <li>Policy on Determining Materiality of an Event</li> <li>Policy on Related Party Transactions</li> <li>Cybersecurity Policy</li> <li>Code of practices and procedures for fair disclosure of UPSI</li> </ul>
P2	Product Lifecycle Sustainability: Businesses should provide goods and services in a manner that is sustainable and safe.	<ul> <li>Policy on Code of Conduct for Board Directors and Senior Management</li> <li>Suppliers Code of Conduct</li> <li>Health and Safety Policy</li> <li>Environment Policy</li> <li>Human Rights Policy</li> </ul>
P3	Employee Well-being: Businesses should respect and promote the well-being of all employees, including those in their value chains.	<ul> <li>Health and Safety Policy</li> <li>Human Rights Policy</li> <li>POSH Policy</li> <li>Whistle Blower Policy</li> </ul>
P4	Stakeholder Engagement: Businesses should respect the interests of and be responsive to all its stakeholders.	<ul> <li>Suppliers Code of Conduct</li> <li>Whistle Blower Policy</li> <li>Policy on Corporate Social Responsibility</li> <li>Stakeholder Management Policy</li> <li>Anti-Corruption Policy</li> </ul>
P5	Promoting Human Rights: Businesses should respect and promote human rights.	<ul><li>Health and Safety Policy</li><li>Human Rights Policy</li><li>POSH Policy</li><li>Anti Corruption Policy</li></ul>
<b>P</b> 6	Protection of Environment: Businesses should respect and make efforts to protect and restore the environment.	Environment Policy
P7	Responsible Policy Advocacy: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	<ul><li>Policy on Corporate Social Responsibility</li><li>Policy on Responsible Advocacy</li><li>Anti-Corruption Policy</li></ul>
P8	Support Inclusive Growth: Businesses should promote inclusive growth and equitable development.	<ul> <li>Policy on Board Diversity</li> <li>Human Rights Policy</li> <li>Policy on Corporate Social Responsibility</li> </ul>
<b>P</b> 9	Providing Customer Value: Businesses should engage with and provide value to their consumers in a responsible manner.	Cybersecurity Policy     Whistle Blower Policy

# SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

The purpose of this section is to assist entities in showcasing their ability to effectively incorporate the principles and core elements into critical processes and decisions. The Company has complied with all mandatory disclosures stipulated under the Business Responsibility and Sustainability Reporting (BRSR) framework. Moreover, the Company is currently in the process of disclosing leadership indicators in its forthcoming financial years.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

















#### A) ESSENTIALINDICATORS:

 Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes #
Board of Directors	8	<ul> <li>Governance and Regulatory Compliance Requirements</li> <li>ESG parameters and targets</li> <li>Overview of the operations of the plants</li> <li>Periodic review of the Company's businesses</li> <li>Prospects for the dairy industry</li> </ul>	100%
Key Managerial Personnel	10	<ul> <li>Corporate governance practices</li> <li>ESG matters</li> <li>Updation of laws applicable to Company</li> <li>Code of conduct</li> <li>Compliance Related (POSH + Insider Trading)</li> </ul>	100%
Employees other than BOD and KMPs	434	<ul> <li>Corporate Induction</li> <li>Sales Training</li> <li>Product Knowledge</li> <li>HRMS</li> <li>Compliance Related (POSH + Insider Trading)</li> <li>Skill Upgradation</li> </ul>	100%
Workers	260	GMP, HACCP, Personal Hygiene, Energy Conservation and Department, Operation, Safety, FOSTAC	100%

 $(GMP-Good\ Manufacturing\ Practice, HACCP-Hazardous\ Analysis\ and\ Critical\ Control\ Points, FOSTAC-Food\ Safety\ Training\ and\ Certification)$ 

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

MONETARY									
Particulars NGRBC Name of the regulatory/ enforcement Amount Brief of the Has an appeal by agencies/ judicial institutions (In INR) Case preferred? (Yes.									
Penalty/ Fine		no fines / penalties /punishment/ award							
Settlement Compounding fee	proceedings (by the Company or by Directors / KMPs) with regulators / law enforcement agencies / judicial institutions during FY 2024-25 which were material as specified in Regulation 30 (4) (i) (c) of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015.								

<sup>#</sup> As applicable in respective Category

NON-MONETARY									
Particulars NGRBC Name of the regulatory/ enforcement Brief of the Has an appeal principle agencies/ judicial institutions Case preferred? (Ye									
Imprisonment	NIL	NIL	NIL	NIL					
Punishment	NIL	NIL	NIL	NIL					

# 3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

#### 4. Anti-corruption or Anti-bribery policy:

Does the entity have an anti-corruption or antibribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, our Company has an anti-corruption or anti-bribery policy. This policy is applicable to all employees, members of the Board of Directors, Key Management Personnel (KMP), business partners, vendors, consultants, agents and any other individuals or entities acting on behalf of the Company. It ensures that everyone associated with the Company upholds the same values of honesty, accountability and lawful behaviour, regardless of their role or seniority.

The policy outlines specific expectations and responsibilities, compelling all covered individuals to act ethically and transparently in their day-to-day activities. It prohibits any form of bribery, facilitation payments, kickbacks or other corrupt practices, whether direct or indirect. It also emphasizes that all financial transactions must be properly documented and in full compliance with applicable laws and internal controls, to prevent the misuse or concealment of funds.

Importantly, the policy includes specific provisions for the Board of Directors and Key Management Personnel, requiring them to lead by example and ensure full compliance with the Company's Code of Conduct. These leaders are expected to actively promote ethical behaviour, oversee the policy's implementation and support ongoing training and awareness efforts across the organization.

By instituting this policy, the Company reinforces its zero-tolerance approach to corruption and bribery. Violations of the policy will result in strict disciplinary measures, including potential termination, legal action and reputational consequences. The Company also encourages employees and stakeholders to report any suspected unethical behaviour through appropriate channels, with the assurance of confidentiality and protection against retaliation.

The Policy can be accessed at https://www.paragmilkfoods.com/policy.php?id=64

# 5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Directors	Nil	NIL
KMPs	Nil	NIL
Employees	Nil	NIL
Workers	Nil	NIL

#### 6. Details of complaints with regard to conflict of interest:

	FY 2024-25 (Current Financial Year)		FY 2023-24 (Previous Financial Ye	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	NA	NIL	NA

#### 7. Corrective Actions:

Provide details of any corrective action takenorunderwayonissuesrelatedtofines/ penalties / action taken by regulators/ law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest

Not applicable, since no fines, penalties or actions were imposed by regulatory, law enforcement or judicial authorities on cases related to corruption and conflicts of interest. The Company has established policies, processes, systems and monitoring mechanisms to ensure compliance, which are regularly reviewed and updated with global best practices. The implementation of these policies is ensured through regular training, communication and awareness-building sessions.

# 8. Number of days of accounts payables [(Accounts payable \*365) / Cost of goods/services procured] in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)*
Number of days of accounts payables	32.10	33.07

#### 9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances and investments, with related parties, in the following format:

Parameter	Metrics	FY 2024 -25 (Current Financial Year)	FY 2023 -24 (Previous Financial Year)*
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	-	-
	b. Number of Trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 Trading houses as % of total purchases from trading houses	-	-
Concentration of Sales	a. Sale to dealers / distributed as % of total sales	65.20%	65.42%
	b. Number of dealers / distributions to whom sales are made	5,152	4,232
	c. Sales upto 10 dealers / distributors as % of total sales to dealers / distributors	22.55%	22.64%
Share of RPTs in	<ul> <li>a. Purchases (Purchases with related parties / Total Purchases)</li> </ul>	2.50%	1.96%
	b. Sales (Sales to related parties / Total Sales)	0.19%	0.06%
	<ul> <li>c. Loans and advances (Loans and advances given to related parties / Total loans and advances)</li> </ul>	23.72%	7.77%
	d. Investments (Investments in related parties / Total Investments made)	95.75%	95.75%

Note-Last year's figures have been revised as per the guidelines issued in industry standards note

#### PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE **AND SAFE**





















#### A) ESSENTIALINDICATORS:

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Not Applicable
Capex	2.71%	2.33%	Investment in Emission Control: Installation and Commissioning of Electrostatic Precipitator (ESP)-
			An investment of ₹2.5 crore was made towards the successful installation and commissioning of an Electrostatic Precipitator (ESP), an advanced air pollution control technology designed to remove suspended particulate matter from boiler flue gases.
			In compliance with the Central Pollution Control Board (CPCB) norms, which mandate particulate emission levels below 75 PPM, the installed ESP has enabled us to achieve emissions of less than 30 PPM. This significant improvement reflects the effectiveness of our design engineering, meticulous project execution, and our strong commitment to environmental compliance.
			Visible improvements have been observed in ambient air quality, particularly in the reduction of chimney smoke and the enhanced cleanliness of the surrounding farmland. This initiative represents a major milestone in our ongoing commitment to sustainability and responsible industrial practices.

#### 2. Sustainable sourcing:

Does the entity have procedures in place for sustainable sourcing? (Yes/No)

#### Commitment to Sustainable Sourcing

Our Company is committed to sustainable sourcing by cultivating strong, ethical relationships with suppliers, vendors and service providers. We believe that responsible procurement practices are essential to building long-term value and ensuring the well-being of all stakeholders involved in our supply chain.

#### **Empowering Dairy Farmers**

Dairy farmers represent a vital link in our supply chain. Engaging directly with them provides a unique opportunity to address pressing sustainability challenges while co-creating resilient and sustainable value chains. Through close collaboration, we aim to enhance farmers' livelihoods and strengthen the overall stability of our operations.

### **Efficient Procurement and Logistics**

Recognizing the perishable nature of milk, we prioritize direct procurement from farmers to ensure freshness and quality. Our state-of-the-art logistics infrastructure enables rapid transportation to chilling centers, preserving the nutritional value of milk and significantly reducing waste across the supply chain.

### **Environmentally Responsible Sourcing Strategy**

Sustainability is integrated into every step of our sourcing strategy. By adopting environmentally responsible practices, we not only support the efficient delivery of fresh milk to millions of consumers but also contribute to lowering our ecological footprint. This holistic approach ensures that our operations benefit both the environment and the communities we serve.

If yes, what percentage of inputs were sourced sustainably?

100%

#### 3. Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life:

Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Since we are dairy based company, our products are of perishable nature (consumption base) they are not meant to be recycled. However, during our production process, we recycle effluent water used in our production facilities for washing milk storage tankers and crates, gardening etc

#### (a) Plastics (including packaging)

Our Company engages with certified waste handlers for disposal of Plastic waste. Plastic waste is recycled through EPR and hazardous waste gets disposed of through certified vendors. In case of other waste which includes food waste, it gets converted to manure.

#### (b) E-waste

As an environmentally responsible organization, the Company is disposing off Electronic Waste to Authorised IT Dismantling, Refurbishing and Servicing Facility after using up to maximum period. The Company receives disposable and re-cycling certificates from the respective e-waste vendors.

#### (c) Hazardous waste:

Once the batteries reach the end of its life cycle, it is disposed off to authorised vendors under buyback policy with OEM's and used oil is handed over to the government authorised registered recycler.

#### (d) Other waste:

Our Company engages with certified waste handlers for disposal of waste. The Company receives disposable and re-cycling certificates from the respective waste vendors.

The Company follows 3R's principles i.e., 'Reduce', 'Recycle' and 'Recover' to be environmentally sustainable.

### 4. Extended Producer Responsibility (EPR) plan:

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same

Yes.

Our Company is committed to circularity in waste management. The company received registration certificate for Brand Owner from Central Pollution Control Board in the month of June 2022, Reg number: Regn.No.BO-15-000-06-AABCP0425G-22. The waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards.

Collection targets set and met for FY 2024-25 are as follows:

SI. No	Financial Year	2024-25(Quantity in MT)							
	State/UT	Cat-I	Cat-II	Cat-III	Cat-IV				
1	CPCB	1,432.01	461.16	766.87	-				
	Total	1,432.01	461.16	766.87	-				
	Grand Total	1,432.01	461.16	766.87	-				

### PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, **INCLUDING THOSE IN THEIR VALUE CHAINS**

















#### A) ESSENTIALINDICATORS:

# A) Details of measures for the well-being of employees:

Category					% of emp	oloyees co	vered by					
	Total (A)				cident Materr rance benef		_		•		y Care cilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)	
				Pe	ermanent o	employee	s					
Male	1,398	864	61.80%	331	23.68%	-	-	-	-	-	-	
Female	165	84	50.91%	50	30.30%	165	100%	-	-	-	-	
Total	1,563	948	60.65%*	381	24.38%	165	10.56%	-	-	-	-	
		-		Other th	nan Perma	nent emp	loyees			-		
Male	229	229	100%	229	100%	-	-	-	-	-	-	
Female	287	287	100%	287	100%	-	_**	-	-	-	-	
Total	516	516	100%	516	100%	-	-	-	-	-	-	

<sup>\*</sup>The company has provided all employees to avail the option of Company's health insurance coverage. Few employees have decided to opt out of the Company's health insurance coverage and have opted for external health insurance policies.

# B) Details of measures for the well-being of workers:

Category					% of wo	orkers cov	ered by						
	Total (A)	Total (A)	otal (A) Health insurance			Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)		
				ı	Permanen	t workers							
Male	405	382	94.32%	405	100%	-	-	-	-	-	-		
Female	1	1	100%	1	100%	1	100%	-	-	-	-		
Total	406	383	94.33%	406	100%	-	-	-	-	-	-		
	-	-	-	Other	than Perm	anent wo	rkers		-				
Male	145	131	90.34%	145	100%	-	-	-	-	-	-		
Female	196	149	76.02%	196	100%	_*	-	-	-	-	-		
Total	341	280	82.11%	341	100%	-	-	-	-	-	-		

<sup>\*</sup>Consist of contract workers who are not provided maternity benefits directly by the Company, as the responsibility for payment lies with the contractor.

<sup>\*\*</sup>Other than permanent employees consist of contract workers who are not provided maternity benefits directly by the Company, as the responsibility for payment lies with the contractor.

# C) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format –

	Current Financial Year*	<b>Previous Financial Year</b>
Cost incurred on well-being measures as a % of total revenue of the company	1.9%	3.4%

<sup>\*</sup>includes staff welfare expenses incurred on canteen facilities and uniforms for employees and workers.

#### 2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Benefits	(Cur	FY 2024-25 rent Financial Ye	ear)	FY 2023-24 (Previous Financial Year)			
	No. of employees covered as a % of total employees	covered as		No. of employees covered as a % of total employees	covered as	Deducted and deposited with the authority (Y/N/N.A.)	
PF	100%	100%	Yes	100%	100%	Yes	
Gratuity	100%	100%	Yes	100%	100%	Yes	
ESI	100%	100%	Yes	100%	100%	Yes	
Others please specify	-	-	-	-	-	-	

#### 3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, the offices are accessible to all its employees including persons with disabilities. The employees are frequently consulted to improve and manage the mobility needs of people with disabilities.

### 4. Equal Opportunity Policy:

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Human Rights Policy provides guidance to be fair and act against discrimination. Discrimination on the basis of race, sex, religion, age, disability, national origin, or other such factors is an explicit violation of this Policy.

https://www.paragmilkfoods.com/policy.php?id=67

#### 5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent	employees	Permanent workers		
	Return to work rate	Retention rate	Return to work rate	Retention rate	
Male	NA	NA	NA	NA	
Female	50%	100%	NA	NA	
Total	50%	100%	NA	NA	

# 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	Yes, the Company has a whistle blower and Protection policy in place which provides guidance to raise a complaint in case of any concerns.
Other than Permanent Workers	Yes, Non-permanent workers on our Company's plants are contracted via 3 <sup>rd</sup> party and their grievance redressal mechanism rests with the contractors. The company ensures that all norms and regulations while working on plants are met.
Permanent Employees	Yes, the Company has a whistle blower and Protection policy in place which provides guidance to raise a complaint in case of any concerns.
Other than Permanent Employees	Vendors/contractors are governed under the agreements / contracts signed off. In case of any grievance, they can approach the concerned head of Department or HR directly.

# 7. Membership of employees and worker in association(s) or Unions recognised by the entity:

Category	(C	FY 2024-25 urrent Financial Year)		FY 2023-24 (Previous Financial Year)			
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/C)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)	
<b>Total Permanent Employees</b>	1,563	-	-	1,219	-	-	
Male	1,398	-	-	1,087	-	-	
Female	165	-	-	132	-	-	
<b>Total Permanent Workers</b>	406	-	-	553	-	-	
Male	405	-	-	538	-	-	
Female	1	-	-	15	-	-	

# 8. Details of training given to employees and workers:

Category		(Curr	FY 2024-25 ent Financia			FY 2023-24* (Previous Financial Year)				
	Total (A)	(A) On Health and safety On Skill upgradation Total		Total (D)	) On Health and safety On Skill upgradation measures					
		No. (B)	% (B / A)	No. (C)	% (C / A)	•	No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees					
Male	1,627	1,627	100%	1,627	100%	1,154	1,154	100%	1,154	100%
Female	452	452	100%	452	100%	189	189	100%	189	100%
Total	2,079	2,079	100%	2,079	100%	1,343	1,343	100%	1,343	100%
		-			Workers					
Male	550	550	100%	550	100%	669	669	100%	669	100%
Female	197	197	100%	197	100%	164	164	100%	164	100%
Total	747	747	100%	747	100%	833	833	100%	833	100%

# 9. Details of performance and career development reviews of employees and workers:

Category	FY 2024-2	25 (Current Fina	ncial Year)	FY 2023-24* (Previous Financial Year)			
	Total (A)**	No. (B)	% (B / A)	Total (C)**	No. (D)	% (D / C)	
			Employees				
Male	1,627	1,398	86%	1,154	1,087	94%	
Female	452	165	37%	189	132	70%	
Total	2,079	1,563	75%	1,343	1,219	91%	
			Workers			•••	
Male	550	405	74%	669	538	80%	
Female	197	1	0.5%	164	15	9.15%	
Total	747	406	54%	833	553	66%	

<sup>\*\*</sup>Only permanent employees and permanent workers are provided performance and career development reviews.

# 10. Health and safety management system:

S.	Particulars	Response
no a)	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	Our Company is dedicated to ensuring the health, safety and overall well-being of its employees through the implementation of the Occupational Health and Safety Assessment Series (OHSAS) framework. As part of this commitment, regular awareness sessions are conducted to educate employees on various safety-related aspects, promoting a culture of safety and responsibility in the workplace.  In addition to general safety training, the Company provides specialized instruction in key operational areas such as Hazard Analysis and Critical Control Points (HACCP) and Total Productive Maintenance (TPM), reinforcing our focus on both preventive risk management and operational excellence.
		Recognizing that employee well-being extends beyond physical safety, the Company actively supports mental health by organizing programs and interactive sessions with well-being experts and medical professionals.
b)	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis	All work-related hazards associated with routine activities are systematically identified and assessed through the Hazard Identification and Risk Assessment (HIRA) process. Based on this assessment, appropriate control measures are implemented to mitigate or eliminate potential risks. The site-specific risk register is regularly reviewed and updated to reflect any changes in operations or newly identified hazards.
	by the entity?	In addition to internal evaluations, the Company conducts regular audits-either independently or at the request of customers—to identify both routine and non-routine work-related hazards. These audits play a critical role in ensuring ongoing compliance, maintaining workplace safety, and fostering a proactive approach to risk management.
c)	Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	Our Company has clear processes for reporting work-related hazards to their supervisors or designated safety officers. These processes includes both formal reporting mechanisms, such as incident reports, and informal reporting mechanisms, such as verbal reporting. Workers are also trained on how to identify and report hazards in their workplace.  Additionally, regular safety audits and training are conducted to ensure workers are aware of and
d)	Do the employees/ worker of the entity have access to non- occupational medical and healthcare services? (Yes/ No)	follow these processes.  Each location has undertaken various certifications and follow the Group policy towards employee safety and wellbeing.

#### 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)*
Lost Time Injury Frequency Rate (LTIFR)	Employees	5.2 lakh man safe hours and LTI-0	18.3 lakh man safe hours and LTI-0
(per one million-person hours worked)	Workers	8.9 lakh man safe hours and LTI-0	44 lakh man safe hours and LTI -0
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	-	-
	Workers	-	-
High consequence work-related injury or	Employees	-	-
ill-health (excluding fatalities)	Workers	-	-

### 12. Measures to ensure a safe and healthy workplace:

Describe the measures taken by the entity to ensure a safe and healthy workplace.

To ensure a safe and healthy workplace, our Company has implemented several measures.

- Firstly, regular safety audits and risk assessments are conducted to identify and address potential hazards.
- Secondly, workers receive comprehensive safety training and be equipped with appropriate personal protective equipment.
- Thirdly, the entity has established clear protocols for reporting and addressing work-related hazards, as well as mechanisms for workers to provide feedback and suggest improvements.
- Fourthly, regular health checks and medical screenings are provided to workers to identify and address any health issues.

Lastly, the entity has established safety culture by promoting safety and health awareness among workers.

# 13. Number of Complaints on the following made by employees and workers:

		FY (2024-25) Current Financial Yea	r	FY (2023-24) Previous Financial Year			
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks	
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL	
Health and Safety	NIL	NIL	NIL	NIL	NIL	NIL	

### 14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100%	
Working Conditions	100%	

#### 15. Corrective Actions:

Provide details of any corrective action taken or underway				
to address safety-related incidents (if any) and on significant				
risks / concerns arising from assessments of health and safety				
practices and working conditions.				

The Company has been following standard operating procedures to comply with state/local level regulations and ensure safety and hygiene protocols.

# PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS













### A) ESSENTIALINDICATORS:

#### 1. Identification of stakeholders group:

Describe the processes for identifying key stakeholder groups of the entity

The stakeholder identification process enables Parag to recognize and engage with stakeholders on following parameters:

#### Dependency-

Includes individuals or groups directly or indirectly reliant on the Company's activities, products, services, or performance.

Also includes stakeholders whose support or involvement is essential for Parag to operate effectively.

#### Legal, commercial, operational or ethical/moral relevance-

Stakeholders to whom the Company has existing or potential legal, commercial or moral obligations.

This category ensures the Company acts responsibly and transparently across its relationships.

#### Impact decision-making-

Stakeholders who have ability to affect the Company's strategic or operational directions, either through advocacy, regulation, partnership or other means.

Engaging these stakeholders helps mitigate risks and align interests.

# 2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable and Marginalized Group (Yes /No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul> <li>Annual General Meeting</li> <li>Shareholder meets</li> <li>Email</li> <li>Stock Exchange (SE) Intimations</li> <li>Investor/analysts meet</li> <li>Conference calls</li> <li>Annual report</li> <li>Quarterly results</li> <li>Media releases</li> <li>Company/SE website</li> <li>Notice</li> <li>Newspaper advertisements</li> <li>One-on-one interaction</li> <li>Customer satisfaction survey</li> <li>Feedback surveys and calls post redressal of complaints</li> <li>Customer service helpline</li> </ul>	Quarterly, Half yearly, Annually and Event based	Share price appreciation, dividends, profitability and financial stability     Robust ESG practices climate change risks, cyber risks, growth prospects     Queries/suggestions/assurance/complaints etc     Understanding shareholder expectations

Stakeholder Group  Group  Whether identified as Vulnerable and Marginalized Group (Yes /No)		Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	key topics and concerns	
Government/ Regulatory authorities	No	<ul> <li>E-mails and letters</li> <li>Conferences</li> <li>Industry forums</li> <li>Regulatory filings</li> <li>Meetings with officials</li> <li>Representations</li> </ul>	On periodical basis as provided under relevant legislations	In relation to Compliances with applicable laws, Industry concerns, changes in regulatory frameworks, skill and capacity building, employment	
Customers	·		Fortnightly and requirement basis	Queries/suggestions/ assurance/complaints etc     Understating the customers' requirements	
Employees No		<ul> <li>Personalised learning and development programmes</li> <li>Regular performance review and feedback</li> <li>One-on-one engagement, townhall meetings</li> <li>Employee engagement surveys.</li> <li>Programmes catered around overall wellbeing</li> <li>Intranet Portal</li> <li>Emails, Notice Board, Meetings</li> </ul>	Daily	Hearing of all employee concerns, conducting meetings, People voice meeting, Suggestion Schemes, Conducting enquiries	
Bankers	No	<ul><li>Periodical Meetings</li><li>Periodical Reports</li><li>Emails</li><li>One-on-one engagement</li></ul>	Requirement basis	<ul> <li>Understand the banking compliance</li> <li>Maintaining rapport with our bankers</li> <li>Banking/Credit facilities.</li> </ul>	
Community	No	<ul> <li>Collaboration with non-governmental organisations (NGOs)</li> <li>Field visits</li> <li>CSR and sustainability initiatives</li> <li>Skill development</li> <li>One-on-one interactions</li> </ul>	Periodically	Integrated water management, clean water, Natural Resource Management, community development, livelihood support, disaster relief, Education, Skill development.	
Waste Collection Agents	No	Emails     Need based meetings	Requirement basis	Compliance to legal requirements, to carry out sound management of the waste generated by the Company	

Stakeholder Group	Whether identified as Vulnerable and Marginalized Group (Yes /No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Subsidiaries	No	<ul><li>Emails</li><li>Need based meetings</li><li>Periodical Reports</li></ul>	Quarterly and Requirement basis	Discussions on major Investment/ expansion plans, sharing of performance data, facilitate decision making on major topics.
Peers	No	<ul> <li>Industry events and conferences</li> <li>Trade associations and industry groups</li> <li>Market research and analysis</li> <li>Benchmarking studies</li> </ul>	Requirement basis	To provide considerations and share insights on global developments
Board of Directors	No  Board Meetings - Engage with Board members through regular board meetings, either in person or virtually, to discuss company performance, strategy, and challenges. Meetings usually happen on a regular basis, such as quarterly			Company's business operations, planning, strategies etc.
		Board Committees - Engage with Board committee members, such as Audit, CSR, and Risk Management committees, for more focused updates and discussions on specific areas of the company's operations		
		Board Reports - Provide regular reports to the Board on company performance and progress towards strategic goals. Reports may include financial updates, key performance indicators, or other relevant information		
		Informal Updates - Provide informal updates to Board members on an ongoing basis through channels such as emails, phone calls, or meetings outside of regular Board meetings		

## PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS







## A) ESSENTIALINDICATORS:

## 1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 20	24-25 (Current Financia	ıl Year)	FY 2023-24 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
		Emp	loyees			
Permanent	1,563	1,563	100%	1,219	1,219	100%
Other than permanent	516	516	100%	124	124	100%
Total Employees	2,079	2,079	100%	1,343	1,343	100%
		Wo	rkers	•	···	
Permanent	406	406	100%	553	553	100%
Other than permanent	341	341	100%	280	280	100%
Total Workers	747	747	100%	833	833	100%

## 2. Details of minimum wages paid to employees and workers, in the following format:

Category			FY 2024-25 ent Financia			FY 2023-24 (Previous Financial Year)				
	Total (A)	-	Minimum age		n Minimum age	Total (D)	-	Minimum age		n Minimum age
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
					Employees	3				
Permanen	t									
Male	1,398	-	-	1,398	100%	1,087	-	-	1,087	100%
Female	165	-	-	165	100%	132	-	-	132	100%
Other than	Permanent	t		•		•	•		•	
Male	229	-	-	229	100%	67	-	-	67	100%
Female	287	-	-	287	100%	57	-	-	57	100%
	•			•	Workers	•	•		•	
Permanen	t			•		•	•		•	•
Male	405	-	-	405	100%	538	-	-	538	100%
Female	1	-	-	1	100%	15	-	-	15	100%
Other than	Permanent	t					-			
Male	145	-	-	145	100%	131	-	-	131	100%
Female	196	-	-	196	100%	149	-	-	149	100%

## 3. Details of remuneration/salary/wages

#### a. Median remuneration / wages:

Category		Male		Female		
	Number	Median remuneration/ salary/ wages of respective category (₹ in Crore per annum)	Number	Median remuneration/ salary/ wages of respective category (₹ in Crore per annum)		
Board of Directors (BoD)	6*	0.32	2*	1.06		
Key Managerial Personnel	1**	0.28	-	NA		
Employees other than BoD and KMP	1,397	0.05	165	0.04		
Workers	405	0.03	1	0.02		

<sup>\*</sup>Board of Directors consists of Chairman, MD, one Executive Director and Five Non-Executive Directors

#### b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2024 -25 Current Financial Year	FY 2023 -24 Previous Financial Year
Gross wages paid to females as % of total wages	4%	7%

## 4. Focal point for addressing human rights:

Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Company has established dedicated teams within its Human Resources Department at the various operating facilities, which are tasked with addressing any human rights concerns that may arise.

#### 5. Internal mechanisms in place to redress grievances related to human rights issues:

Describe the internal mechanisms in place to redress grievances related to human rights issues.

#### **Grievance Reporting Mechanism:**

The Company has implemented a confidential and accessible complaints system through which employees, stakeholders, or affected individuals can report human rights-related concerns. This mechanism is designed to ensure anonymity, where requested, and ease of access for all individuals.

## **Investigation and Remedial Action:**

Upon receiving a complaint, a dedicated internal team promptly initiates an investigation to assess the validity and seriousness of the issue. Based on the findings, appropriate remedial actions are taken to resolve the matter in a fair and timely manner.

## **Employee Awareness and Training:**

All employees receive regular training and resources related to human rights, ethical conduct, and respectful workplace behaviour. These initiatives aim to promote a culture of inclusion, dignity, and mutual respect across the organization.

#### **Monitoring and Audits:**

The Company conducts periodic internal assessments and third-party audits to evaluate compliance with human rights policies. These evaluations help in identifying gaps and areas for continuous improvement.

#### **Stakeholder Engagement:**

The Company maintains open and ongoing communication with key stakeholders, including local communities, civil society organizations, and relevant government bodies. This ensures that grievances from external parties are also captured and addressed effectively.

#### Commitment to Inclusivity:

Through these mechanisms, the Company reinforces its commitment to upholding human rights and fostering an inclusive and equitable work environment for all.

<sup>\*\*</sup>KMP includes only Company Secretary

## 6. Number of Complaints on the following made by employees and workers:

Category	FY 2024	FY 2024-25 (Current Financial Year)			FY 2023-24 (Previous Financial Year)		
	_	Pending resolution at the end of year	Remarks	_	Pending resolution at the end of year	Remarks	
Sexual Harassment	-	-	-	-	-	-	
Discrimination at workplace	-	-	-	-	-	-	
Child Labour	-	-	-	-	-	-	
Forced Labour/Involuntary Labour	-	-	-	-	-	-	
Wages	-	-	-	-	-	-	
Other human rights related issues	-	-	-	-	-	-	

## 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	-	-
Complaints on POSH as % of female employees / workers	-	-
Complaints on POSH upheld	-	-

#### 8. Prevention of discrimination and harassment cases:

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases

Our Company is committed to a workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. Our Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Committees have been constituted across locations to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required. Necessary disclosures in relation to the sexual harassment complaints received and redressal thereof are provided in our Integrated Annual Report. Regular awareness and training sessions are conducted to ensure that the employees are fully aware of the aspects of sexual harassment and of the redressal mechanism.

## 9. Human rights requirements forming part of your business agreements and contracts:

Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. Our Company ensures that its suppliers/contractors comply with the law of the land regarding human rights by getting such clauses incorporated in their respective contracts/ agreements.

#### 10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	None

## 11. Corrective Actions to address significant risks / concerns arising from the assessments:

Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Our company takes its commitment to human rights seriously and has established a robust Policy to address significant risks and concerns related to child labour, forced labour, sexual harassment, discrimination, and wages. This includes regular assessments to identify any potential violations and regular training for employees to promote awareness and prevent such incidents. In the event of any violations being identified, the company takes prompt and effective corrective action, which may include suspension of work, termination of contracts, or even legal action, as appropriate. Additionally, the company continuously reviews and strengthens its policies and procedures to ensure that human rights are upheld across all operations.

## PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT





















#### A) ESSENTIALINDICATORS:

#### Details of total energy consumption (in Mega Joules) and energy intensity, in the following format:

	EV.0004.05	<b>5</b> )/0000 044
Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24* (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	4,90,47,569	2,64,81,741
Total fuel consumption (B)	40,97,240	82,76,360
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	5,31,44,809	3,47,58,101
From non-renewable sources		•
Total electricity consumption (D)	9,40,63,426	13,25,53,732
Total fuel consumption (E)	1,32,42,37,540	96,48,74,105
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	1,41,83,00,966	1,09,74,27,836
Total energy consumed (A+B+C+D+E+F)	1,47,14,45,776	1,13,21,85,937
Energy intensity per rupee of turnover	0.04	0.03
(Total energy consumption/turnover in rupees)		
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*	0.9028	0.8208
(Total energy consumed / Revenue from operations adjusted for PPP)		
Energy intensity in terms of physical output (Mj/Kg)**	9.15	8.28
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

<sup>\*</sup>The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 and 2024 by IMF for India which is 20.66 and 22.41 respectively.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: The assessment has been carried out in-house by the Company.

<sup>\*\*</sup>Physical output has been calculated as the sum of total quantity of Commodities that have been produced during the year.

## 2. Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the **Government of India:**

No, we do not have any sites/facilities as Designated Consumers (DCs) under the PAT scheme of the Government of India.

## 3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2024-25	FY 2023-2024*
Water withdrawal by source (in kilolitres)		
(i) Surface water	1,08,366	42,819
(ii) Groundwater	91,028	1,99,312
(iii) Third party water	1,62,223	1,13,116
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	3,61,617	3,55,247
Total volume of water consumption (in kilolitres)	3,61,617	3,55,247
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000011	0.000011
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)* (Total water consumption / Revenue from operations adjusted for PPP)	0.0002219	0.0002567
Water intensity in terms of physical output**	0.00224	0.00257
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

<sup>\*</sup>The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 and 2024 by IMF for India which is 20.66 and 22.41 respectively.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: The assessment has been carried out in-house by the Company.

## 4. Provide the following details related to water discharged:

	Parameter	FY 2024-25 (Current Financial Year)	FY 2023-24 (Previous Financial Year)
Wat	er discharge by destination and level of treatment (in kilolitres)		
(i)	To Surface Water	-	-
***************************************	- No treatment	-	-
	- With treatment - please specify level of treatment	-	-
(ii)	To Groundwater	-	-
	- No treatment	-	-
	- With treatment - please specify level of treatment	-	-
(iii)	To Seawater	-	-
***************************************	- No treatment	-	-
	- With treatment - please specify level of treatment	-	-
(iv)	Sent to third-parties	-	-
	- No treatment	-	-
	- With treatment - please specify level of treatment	-	-
(v)	Others	-	-
	- No treatment	-	-
	- With treatment - secondary level	3,72,153	4,68,363
Tota	al water discharged (in kilolitres)	3,72,153	4,68,363

<sup>\*\*</sup>Physical output has been calculated as the sum of total quantity of Commodities that have been produced during the year.

## 5. Mechanism for Zero Liquid Discharge:

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Our Company is deeply committed to minimizing environmental impact and preserving natural resources for future generations. In line with this commitment, we have implemented a comprehensive Zero Liquid Discharge (ZLD) program aimed at completely eliminating liquid waste from our operations.

This initiative spans all facets of our operational processes and is specifically designed to prevent the discharge of harmful chemicals and pollutants into the environment. We have made significant investments in advanced effluent treatment and discharge systems to support this goal and we continually seek opportunities to enhance our processes and adopt cleaner technologies.

As part of our ZLD efforts, treated effluent water from our production facilities is efficiently recycled for non-potable uses such as washing milk storage tankers and crates, as well as for gardening and landscaping purposes.

## 6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2024-25	FY 2023-24
NOx	μg/m3	36	38
SOx	μg/m3	35.82	40.53
Particulate matter (PM)	μg/m3	34.82	44.77
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others - please specify	-	NA	NA

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: The assessment has been carried out in-house by the Company.

## 7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY 2024-25	FY 2023-2024
Total Scope 1 emissions	Metric tonnes of	81,268	1,15,254
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	CO2 equivalent		
Total Scope 2 emissions	Metric tonnes of	24,834	34,979
(Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	CO2 equivalent		
Total Scope 1 and Scope 2 emissions per rupee of turnover	Metric tonnes of	0.0000032	0.0000048
(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	CO2 equivalent		
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	Metric tonnes of CO2 equivalent	0.0000651	0.0001089
(Total Scope 1 and Scope 2 emissions / Revenue from operations adjusted for PPP)			
Total Scope 1 and Scope 2 emission intensity in terms of physical	Metric tonnes of	0.00065	0.00109
output**	CO2 equivalent		
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

<sup>\*</sup>The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 and 2024 by IMF for India which is 20.66 and 22.41 respectively.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: The assessment has been carried out in-house by the Company.

<sup>\*\*</sup>Physical output has been calculated as the sum of total quantity of Commodities that have been produced during the year.

## 8. Project related to reducing Green House Gas emission:

Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

- Solar Power Agreements: We have entered into agreements for the purchase and delivery of solar power with Tata Solar Power, committing to an 8 MVA Solar Power capacity. The Power Purchase Agreement (PPA), Shareholder Agreement (SHA), and Power Delivery Agreement (PDA) have been completed.
- Biogas Power Generation: Currently, we are generating 2,000 units per day from biogas produced at our Effluent Treatment Plant (ETP). This renewable energy is being used to support operations and reduce reliance on non-renewable energy sources.
- Biogas for Canteen Operations: Biogas generated from our ETP is also being used in our canteen, replacing 7 LPG cylinders per day. This has led to an annual savings of 49,000 kg of LPG, demonstrating our commitment to utilizing renewable energy sources in daily operations.
- Refrigeration System Upgrade: We have transitioned 1,200 TR refrigeration units from Freon to 134A, which contributes to the reduction of ozone depletion. We plan to replace all remaining Freon-based systems by 2026 to further mitigate environmental impact.
- Ozone-Friendly Refrigerants: Additionally, 12 TR refrigeration units have been replaced from R22 to R407C, a more environmentally friendly alternative. We will continue replacing Freon-based refrigeration units until 2026.
- Wood Briquettes for Boilers: In our efforts to reduce the use of fossil fuels, we have switched to wood briquettes for boiler operations, leading to a reduction in coal consumption by 6 tons annually.
- Biogas Generation from Cow Dung: At our cow farm, we are generating 1,800 units per day of biogas from cow dung. This renewable energy contributes to both environmental sustainability and operational efficiency.
- Integrated Renewable Energy and Sustainable Agriculture: In partnership with Irisoil Agro Tech Pvt. Ltd, we have launched an integrated renewable energy and sustainable agriculture scheme for our milk producers. This initiative provides household-level biogas plants, slurry filtration units, vermicomposting bags and ozola bags at no cost about 250 milk producers. As a result, these farmers no longer need to purchase gas cylinders throughout the year, reducing their dependency on non-renewable energy.

## 9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2024-25	FY 2023-2024*
Total Waste generated (in metric tonnes)		
Plastic waste (A)	38.81 MT	65.43 MT
E-waste (B)	583.51 MT	Nil
Bio-medical waste (C)	46 Grams	46 Grams
Construction and demolition waste (D)	Nil	Nil
Battery waste (E)	Nil	1Nos
Other Hazardous waste. Please specify, if any. (G)	Scrap Oil-2.8KL	Scrap used oil – 8.75 KL
Other Non-hazardous waste generated (H).	ETP Sludge-620 MT Fly Ash-1263.110 MT	ETP Sludge - 992 MT Fly Ash - 1853.8 MT
Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	,, ,	,
Total (A+ B + C + D + E + F + G + H)	2,508.23	2,920.98
Waste intensity per rupee of turnover	0.00000074	0.00000094
(Total waste generated / Revenue from operations)		
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)*	0.00000153887	0.0000021176
(Total waste generated / Revenue from operations adjusted for PPP)		
Waste intensity in terms of physical output**	0.0000155	0.0000211
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2024-25	FY 2023-2024*
For each category of waste generated, total waste (in metric tonnes)	recovered through recycling, re-using or	other recovery operations
Category of waste:		
(i) Recycled	38.81 MT	65.43 MT
(ii) Re-used	ETP Sludge 620 MT Fly Ash 1,263.110 MT	ETP sludge 992 MT Fly ash 1,853.8 MT
(iii) Other recovery operations	-	-
Total	1,921.92 MT	2,911.23 MT
For each category of waste generated, total waste	disposed by nature of disposal method (in	n metric tonnes)
Category of waste:	······································	
(i) Incineration	100 % incinerated 46 grams of Biomedical waste	100 % incinerated 46 grams of Biomedical waste
(ii) Landfilling	-	-
(iii) Other disposal operations	Scrap used oil- 2.8 KL	Scrap used oil- 8.75 KL
Total	i) 100 % incinerated 46 grams of Biomedical waste iii) Scrap used oil- 2.8 KL	i) 100 % incinerated 46 grams of Biomedical waste iii) Scrap used oil- 8.75 KL

<sup>\*</sup> The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2025 and 2024 by IMF for India which is 20.66 and 22.41 respectively.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency: The assessment has been carried out in-house by the Company.

## 10. Waste management practices adopted in the establishment:

Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Our Company ensures responsible waste management practices involving 100% recycling of plastic waste as EPR, 100% Fly ash use, ETP treated water usage for Gardening and Agriculture, Safe disposal of waste across locations.

Biogas generated during Effluent treatment (within the plant) is used for Cooking and Electricity generation.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

	S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complice with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
--	----------	--------------------------------	--------------------	---

The company does not have any operations/offices in/around ecologically sensitive areas.

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable, Environmental impact assessment of projects were not required to be undertaken by the Company during the current financial year.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. We are compliant with the applicable environmental law / regulations / guidelines in India.

<sup>\*\*</sup>Physical output has been calculated as the sum of total quantity of Commodities that have been produced during the year.

## PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT

















### A) ESSENTIALINDICATORS:

1. A) Affiliations with trade and industry chambers/ associations:

Number of affiliations with trade and industry chambers/ associations.	3

B) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Indian Export Organization (FIEO).	National
2.	Confederation of Indian Industries (CII)	National
3.	Indian Dairy Association	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken		
The Company has not engaged in any anti-competitive conduct.				

#### PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT































#### A) ESSENTIALINDICATORS:

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
		<del></del>			

This section is not applicable to the Company

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R and R) is being undertaken by your entity, in the following format:

This section is not applicable to the Company.

## 3. Community redressal mechanism:

Describe the mechanisms to receive and redress grievances of the community.

The Grievance Redressal Mechanism (GRM) plays a vital role in strengthening our relationship with the local community and supports our social license to operate, particularly in the execution of community development initiatives. As part of this mechanism, local employees are actively engaged in conducting regular visits and interactions with community members to understand and address any concerns they may have.

These continuous engagements help us maintain open communication and foster trust. To date, no specific grievances have been reported by the community through these channels.

## Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2024-25	FY 2023-24*
	(Current Financial Year)	(Previous Financial Year)
Directly sourced from MSMEs/small producers	5.29%	2.02%
Directly from within India	94.51%	97.83%
Import Purchase	0.20%	0.14%

- A significant portion of the Company's raw material requirement is fulfilled through the procurement of raw milk, sourced directly from over two lakh farmers. This direct sourcing model ensures 100% sustainable sourcing and promotes rural livelihoods.
- The Company maintains strong, collaborative relationships with its suppliers, vendors, and service providers, recognizing them as integral to its growth journey. Our business practices are designed to foster inclusive growth, with a focus on embedding social, ethical, and environmental considerations into operational and strategic decision-making across the supply chain. Additionally, the Company actively works to optimize its logistics network to minimize the distance travelled by its products, thereby contributing to the reduction of transportation-related emissions.

## 5. Job creation in smaller towns - Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY 2024-25	FY 2023-24*
	(Current Financial Year)	(Previous Financial Year)
Rural	54%	40.20%
Semi-urban	-	-
Urban	-	-
Metropolitan	46%	59.80%

### PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A **RESPONSIBLE MANNER**













### A) ESSENTIALINDICATORS:

### 1. Consumer Complaints and feedback:

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- We are dedicated to providing our customers with the highest level of service and products. We understand that, at times, things may not go as planned, and that is why we take consumer complaints very seriously. Our commitment to listening to and addressing the concerns of our customers is unwavering.
- We have established a robust system for receiving and responding to consumer complaints, ensuring that all feedback is heard and acted upon in a timely manner. Our dedicated customer service team is trained to handle any situation with professionalism and empathy, and they work closely with our product teams to find solutions to any issues that may arise.
- We believe that every customer deserves to have their voice heard, and we are committed to providing them with the support and attention they deserve. We are proud to have built a reputation for exceptional customer service, and we will continue to prioritize the satisfaction of our customers in all that we do.

## 2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

## 3. Number of consumer complaints in respect of the following:

Category		024-25 inancial Year)	Remarks		023-24 inancial Year)	Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	No such complaint received during the reporting period	-	-	-
Advertising	-	-	No such complaint received during the reporting period	-	-	-
Cyber-security	-	-	No such complaint received during the reporting period	-	-	-
Delivery of essential services	299*	<u>-</u>	No such complaint pending at the end of the reporting period	230*	<u>-</u>	<del>-</del>
Restrictive Trade Practices	-	-	No such complaint received during the reporting period	-	-	-
Unfair Trade Practices	-	-	No such complaint received during the reporting period	-	-	-
Other	1,920**	-	No such complaint pending at the end of the reporting period	1,020**	-	-

<sup>\*</sup>All consumer complaints with regards to delivery of milk have been construed under consumer complaints regarding delivery of essential services

## 4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

 $<sup>^{\</sup>star\star} \text{It includes all consumer queries, product related information and complaints, and services, received through phone, emails.}$ 

## 5. Cyber security policy:

Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

The Company's approach to cyber and data privacy risks is governed by the Information Management Policy, which outlines the overarching framework for managing information security. The Privacy Policy, which forms an integral part of the Information Management Policy, is accessible to employees via Parag's Portal.

Please refer to: https://www.paragmilkfoods.com/policy.php?id=70

#### 6. Corrective Actions:

Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

No penalty or action taken by any authority on safety of products/services around issues relating to advertising, cybersecurity, data privacy or delivery of essential services. There have been no instances of product recalls or action taken by regulatory authorities with regards to safety of products.

## 7. Provide the following information relating to data breaches:

- Number of instances of data breaches: Nil
- b. Percentage of data breaches involving personally identifiable information of customers: Not applicable
- Impact, if any, of the data breaches: Not applicable

<sup>\*</sup>The data for last year has been revised to incorporate updated data inputs and ensure compliance with Industry standards.

## Standalone Financial Statements

## INDEPENDENT AUDITOR'S REPORT

To the Members of Parag Milk Foods Limited

#### Report on the Audit of the Standalone Financial Statements

#### **Opinion**

We have audited the standalone financial statements of Parag Milk Foods Limited (the 'Company'), which comprise the Standalone Balance Sheet as at 31st March, 2025, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material and other accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2025, and its profit, changes in equity and its cash flows for the year ended on that date.

## **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 (the 'ICAI') together with the 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.							
1.	Valuation of trade receivables (Refer Note 11 to the standalone financial statements)						
	As at 31st March, 2025, the trade receivables balance excluding provisions included in Note 11 were ₹ 265.29 crore.  We have identified valuation of trade receivables as a key audit matter on account of the significant management judgment involved with respect to the recoverability of trade receivables and the provisions for impairment of receivables, and the importance of cash collection with reference to the working capital management of the business.	<ul> <li>Our audit procedures included but were not limited to the following:</li> <li>(a) Understanding the trade receivables process with regards to valuation and evaluation of controls designed and implemented by the management;</li> <li>(b) Assessment of the appropriateness of the Company's credit risk policy and obtaining an understanding on management of credit risk;</li> <li>(c) Control testing: <ul> <li>Obtaining an understanding on credit approvals, establishing credit limits and continuous monitoring of creditworthiness of customers to which the Company grants the credit in normal course of business.</li> <li>Obtaining understanding on how the Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.</li> </ul> </li> <li>(d) Tests of details: <ul> <li>We have checked the ageing analysis, on a sample basis and subsequent receipt of the trade receivables, to the source documents including bank statements;</li> </ul> </li> </ul>					

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
		<ul> <li>We have verified the underlying supporting documents like acceptance of invoices along with various correspondence carried out by the management of the Company with trade receivable for realization of money;</li> </ul>
		<ul> <li>We have verified open invoices duly accepted by customers in order to ensure existence of trade receivables;</li> </ul>
		<ul> <li>We have verified the appropriateness of judgments regarding provisions for trade receivables and assessment as to whether these provisions were calculated in accordance with the Company's provisioning policies; and</li> </ul>
		<ul> <li>We have conducted discussion with management as to the recoverability of the old outstanding and corroborating management's explanations with underlying documentation and correspondence with the customers</li> </ul>

#### **2. Revenue recognition** (Refer Note 26 to the standalone financial statements)

The revenue of the Company consists primarily of sale of food products that are sold through distributors, modern trade and direct sale channels amongst others.

Revenue is recognized when the control of products is transferred to the customer and there is no unfulfilled obligation.

Owing to the volume of sales transactions, size of the distribution network and varied terms of contracts with customers, revenue is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and hence, requiring significant auditor attention.

The management is required to make certain key judgements around determination of transaction price in accordance with the requirements of Ind AS 115, *Revenue from Contracts with Customers*, on account of consideration payable to customers in the form of various discount schemes, returns and rebates.

The Company and its external stakeholders focus on revenue as a key performance indicator and this could create an incentive for revenue to be overstated or recognised before control has been transferred.

Considering the aforesaid significance to our audit and the external stakeholders, revenue recognition has been considered as a key audit matter for the current year's audit.

The revenue of the Company consists Our key audit procedures around revenue recognition included, but were not primarily of sale of food products that are sold limited to, the following:

- Assessed the appropriateness of the revenue recognition accounting policies
  of the Company including those relating to rebates and trade discounts, by
  evaluating compliance with the applicable accounting standards;
- Evaluated the design and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general and specific information technology controls;
- Performed substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable;
- Understood and evaluated the Company's process for recording of the accruals for discounts and rebates and ongoing incentive schemes and on a test basis, verified the year-end provisions made in respect of such schemes;
- Performed analytical review procedures on revenue recognised during the year to identify any unusual and/or material variances;
- Performed confirmation and alternative procedures on selected invoices outstanding as at the year-end;
- Tested a select sample of revenue transactions recorded before the financial year end date to determine whether the revenue has been recognised in the appropriate financial period;
- Tested a sample of manual journal entries posted to revenue ledgers to identify any unusual items; and
- Evaluated the appropriateness and adequacy of disclosures in the Standalone financial statements in respect of revenue recognition in accordance with the applicable requirements.

## Information Other than the Standalone Financial **Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of Management and Those Charged with Governance for the Standalone **Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, Board of Directors is 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 Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the **Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements

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 statements, 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 system 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 management;
- Conclude on the appropriateness of management's 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 statements 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 statements, including the disclosures, and whether the standalone financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2020 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure** 'A' a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except for the matter stated in paragraph (h)(vi) below;
  - (c) The standalone balance sheet, the standalone statement of profit and loss, the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account:
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors as on 31st March, 2025 taken on

- record by the Board of Directors, none of the directors is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – (Refer Note 41 to the standalone financial statements);
  - (ii) The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
  - (iv) (a) The management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, during the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (the 'Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The management of the Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, during

the year, no funds have been received by the Company from any person or entity, including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on such audit procedures, we have considered reasonable and appropriate in the circumstances that nothing has come to our notice that has caused us to believe that the representations under paragraph (a) and (b) above, contain any material misstatement.
- (v) (a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.
  - (b) As stated in Note 16 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in

- accordance with section 123 of the Act, to the extent it applies to declaration of dividend.
- (vi) Based on our examination which included test checks, except for the instances mentioned below. the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
  - (a) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll, and certain noneditable fields / tables of the accounting software used for maintaining general ledger.
  - (b) The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting softwares relating to revenue, trade receivables and general ledger.

Further, the audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

#### **SHARP & TANNAN**

**Chartered Accountants** Firm's Registration No. 109982W by the hand of

#### **Edwin Paul Augustine**

Partner Membership No. 043385 UDIN: 25043385BMOOJH7464

Mumbai, 2nd May, 2025

## ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) In respect of the Company's property, plant and equipment and intangible assets
  - (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets, except for certain property, plant and equipment where quantitative details are not available since inception. However, the Company is in the process of preparing / updating the same; and
    - (B) The Company is maintaining proper records showing full particulars of intangible assets;
  - (b) During the year, the Property, Plant and Equipment of the Company have been physically verified by the management, except as stated in *Paragraph* (i) (a) (A) above and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets;
  - (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee), disclosed in the standalone financial statements are held in the name of the Company;
  - (d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets during the year. Accordingly, the Paragraph 3(i)(d) of the Order is not applicable to the Company; and
  - (e) The Company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, Paragraph 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for the stocks lying with third parties. For stocks lying with third parties at the year end, written confirmations have been obtained by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on physical verification carried out during the year; and
  - (b) The Company has been sanctioned working capital limits in excess of ₹ five crore in aggregate from banks during the year on the basis of security of current assets. The Company has filed monthly statements with such banks which are in agreement with the books of account. (Refer Note 47(a) of the standalone financial statements)
    - Additionally, the Company has issued secured foreign currency convertible bonds (FCCB) and unsecured non-convertible debentures (NCDs) to the International Finance Corporation (IFC) which is to be utilised towards working capital requirements. The Company is not required to file statements with IFC.
- (iii) (a) During the year, the Company has not made investments in, provided any guarantee or security or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships. However, the Company has provided loan as detailed below:

(₹ crore)

	Particulars	Guarantee	Security	Loans	Advances in nature of loans
(A)	Aggregate amount granted / provided during the year				
	- Subsidiary Company	-	-	20.00	-
(B)	Balance outstanding as at 31st March, 2025 in respect of above cases				
***************************************	- Subsidiary Company	-	-	20.00	-

- (b) The aforesaid loan granted is not prejudicial to the interest of the Company;
- (c) In respect of loan granted by the Company, the schedule of repayment of principal and payment of interest in respect of the loan has been stipulated and the repayments or receipts are regular;
- (d) In respect of the aforesaid loan, there is no overdue amount for more than ninety days;

- (e) There was no loan or advance in the nature of loans granted which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties; and
- (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Accordingly, reporting on the Paragraph 3(iii)(f) of the Order is not applicable to the Company.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply. Accordingly, Paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148 (1) of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) (a) The Company is generally regular in depositing the undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, value added tax, cess and other statutory dues to the appropriate authorities.
  - (b) The statutory dues referred to (a) above, which have not been deposited on account of any dispute, the amounts involved and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the dues	Gross Amount	Amount deposited / paid	Period to which the amount	Forum where dispute is pending
		(₹ crore)	(₹ crore)	relates	
The Maharashtra Value Added Tax Act, 2002	Tax and Penalty	3.24	-	FY 2009-10	Joint Commissioner of Sales Tax (App)-1
The Central Goods and Services Tax Act, 2017	Tax, Interest and Penalty	0.51	0.51	FY 2017-18	Commissioner of GST and Central Excise
	Tax, Interest and Penalty	0.22	0.03	FY 2018-19	Commissioner of GST and Central Excise
	Tax, Interest and Penalty	2.18	0.04	FY 2019-20	Commissioner of GST and Central Excise
	Tax, Interest andPenalty	2.69	-	FY 2020-21	Commissioner of GST and Central Excise
The Wealth Tax Act, 1957	Tax and Interest	0.01	-	AY 2014-15	Online response
The Income Tax Act, 1961	Tax and Interest	4.74	-	AY 2013-14	Commissioner (Appeals)
	Tax, Interest and Penalty	22.38	0.36	AY 2016-17	Commissioner (Appeals)
	Tax and Interest	1.20	-	AY 2016-17	With ITAT
	Tax and Interest	4.44	-	AY 2018-19	Commissioner (Appeals)
	Tax, Interest and Penalty	128.41	4.32	AY 2019-20	Commissioner (Appeals)
	Tax, Interest and Penalty	77.87	2.41	AY 2020-21	Commissioner (Appeals)
	Tax and Interest	42.59	-	AY 2021-22	Commissioner (Appeals)
	Tax, Interest and Penalty	59.48	1.91	AY 2022-23	Commissioner (Appeals)

- (viii) There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, Paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority;
- (c) The Company has, prima facie, utilized the money obtained by way of term loans during the year for the purposes for which they were obtained:
- (d) We report that no funds raised on short-term basis have, prima facie, been used for long-term purposes by the Company;
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act; and
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary as defined under the Act.
- (x) (a) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Paragraph 3(x)(a) of the Order is not applicable to the Company; and
  - (b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, reporting on the Paragraph 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) We have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management;
  - (b) No report under Section 143(12) of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year; and
  - (c) There is no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) The Company has adequate internal audit system commensurate with the size and the nature of its business; and
  - (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date and made available to us, in determining the nature, timing and extent of our audit procedures.
- (xv) The Company, during the year, has not entered into any non-cash transactions with directors or persons connected with its directors and hence, the provisions of Section 192 of the Act is not applicable. Accordingly, Paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the Paragraph 3(xvi)(a) of the Order is not applicable to the Company;
  - (b) The Company has not conducted Non-Banking Financial or Housing Finance activity. Accordingly, the Paragraph 3(xvi)(b) of the Order is not applicable to the Company;
  - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India; and
  - (d) The Group to which the Company belongs has no CIC as part of the Group.
- (xvii) The Company has not incurred cash losses for the current financial year as well as the immediately preceding financial year.
- (xviii) There has been no resignation of statutory auditors during the year. Accordingly, Paragraph 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and

based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We, further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to contribute towards Corporate Social Responsibility during the year. Accordingly, Paragraphs 3(xx) (a) and (b) of the Order are not applicable to the Company.

#### **SHARP & TANNAN**

**Chartered Accountants** Firm's Registration No. 109982W by the hand of

#### **Edwin Paul Augustine**

Partner Membership No. 043385 UDIN: 25043385BMOOJH7464

Mumbai, 2<sup>nd</sup> May, 2025

## ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

# Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **Parag Milk Foods Limited** (the 'Company'), as of 31st March, 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

## Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether

adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Inherent Limitations of Internal Financial Controls** over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in

#### **Opinion**

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

#### **SHARP & TANNAN**

**Chartered Accountants** Firm's Registration No. 109982W by the hand of

#### **Edwin Paul Augustine**

Partner Membership No. 043385 UDIN: 25043385BMOOJH7464

Mumbai, 2<sup>nd</sup> May, 2025

## Standalone Balance Sheet as at 31st March, 2025

(₹ in crores)

Parti	culars	Notes	As at 31st March, 2025	As at 31st March, 2024
(I)	ASSETS		OT March, 2020	01 Maion, 2021
	Non-current assets	······································		
<b>.</b>	(a) Property, plant and equipment	4	314.04	291.89
	(b) Capital work-in-progress	4A	12.24	9.67
	(c) Other intangible assets	5	1.24	0.89
	(d) Right-of-Use assets	5A	24.24	15.80
	(e) Financial assets			10.00
	(i) Investments	6	108.85	108.85
	(ii) Loans	7	20.00	2.91
	(iii) Other financial assets	8	40.91	25.28
	(f) Deferred tax asset (net)	34	40.01	7.78
	(g) Other non-current assets	9	29.48	7.70
-atal		9	551.00	
	Non-current assets		551.00	470.51
2)	Current assets	10	F00.04	F00.00
	(a) Inventories	10	563.34	598.26
	(b) Financial assets		04040	005.00
	(i) Trade receivables	11	249.40	235.28
	(ii) Cash and cash equivalents	12	11.64	10.04
	(iii) Bank balances other than (ii) above	13	13.16	17.02
	(c) Current tax assets (net)	14	37.08	25.14
	(d) Other current assets	15	499.47	410.05
	Total Current assets		1,374.09	1,295.79
ota	Assets		1,925.09	1,766.30
II)	EQUITY AND LIABILITIES			
1)	Equity			
	(a) Equity share capital	16	119.20	119.20
	(b) Other equity	17	920.60	804.51
ota	I Equity		1,039.80	923.71
iabi	ilities			
2)	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	18	197.04	183.13
	(ii) Lease liabilities	19	17.02	9.96
	(b) Provisions	20	4.26	3.27
	(c) Deferred tax liabilities (net)	34	2.90	0.21
ota	Non-current liabilities	U-1	221.22	196.36
	Current liabilities		££ 1.££	190.00
٠,	(a) Financial liabilities			
	(i) Borrowings	21	357.71	326.39
		22		
	(ii) Lease liabilities	23	7.01	6.53
	(iii) Trade payables	23		44.00
	(a) Total outstanding dues of micro enterprises and small enterprises		11.16	11.89
	<ul> <li>(b) Total outstanding dues of creditors other than micro enterprises and small enterprises</li> </ul>		211.95	202.48
	(iv) Other financial liabilities	24	49.68	51.98
	(b) Other current liabilities	25	26.56	46.75
	(c) Provisions	20		0.21
ota	Current liabilities		664.07	646.23
ota	l Liabilities		885.28	842.59

See accompanying notes forming part of the standalone financial statements

1 to 54

As per our report attached

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

**Edwin Paul Augustine** 

Membership No. 043385

For and on behalf of the Board of Directors of Parag Milk Foods Limited

Devendra Shah

Chairman DIN: 01127319

Virendra Varma

Company Secretary & Compliance Officer Membership No. F10520

Place: Mumbai Date: 2nd May, 2025 Pritam Shah

Managing Director & Interim Chief Financial Officer DIN: 01127247

Place: Mumbai

## Standalone Statement of Profit and Loss for the year ended 31st March, 2025

(₹in crores)

Part	ticulars	Notes	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(I)	Income			
	(a) Revenue from operations	26	3,367.40	3,089.83
	(b) Other income	27	26.60	8.56
Tota	al Income		3,394.00	3,098.39
(II)	Expenses			
-	(a) Cost of materials consumed	28	2,480.41	2,421.36
	(b) Changes in inventories of finished goods and work-in-progress	29	56.48	(55.17)
	(c) Employee benefits expense	30	133.13	110.11
	(d) Finance costs	31	85.07	71.57
	(e) Depreciation and amortisation expense	32	59.68	55.71
	(f) Other expenses	33	444.39	411.95
Tota	al Expenses		3,259.16	3015.53
(III)	Profit before tax (I-II)		134.84	82.86
(IV)	Tax expense			
	Current tax	48	-	-
	Deferred tax charge/ (credit)	34	11.30	(9.09)
(V)	Profit for the year (III-IV)		123.54	91.95
(VI)	Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurements loss of the defined benefit plans	40	2.45	0.58
	Income tax on above	34	(0.62)	(0.15)
	Other comprehensive income for the year, net of tax		1.83	0.43
(VII)	Total Comprehensive income for the year (V-VI)		121.71	91.52
(VIII)	Earnings per equity share (of face value of ₹ 10 each):	43		
	Basic (in ₹)		10.36	7.83
	Diluted (in ₹)		9.89	7.58

See accompanying notes forming part of the standalone financial statements

As per our report attached

**SHARP & TANNAN** 

**Chartered Accountants** Firm's Registration No. 109982W by the hand of

**Edwin Paul Augustine** 

Partner

Membership No. 043385

**Parag Milk Foods Limited** 

For and on behalf of the Board of Directors of

**Devendra Shah** 

Chairman DIN: 01127319

Virendra Varma

Company Secretary & Compliance

Officer

Membership No. F10520

Place: Mumbai Place: Mumbai Date: 2<sup>nd</sup> May, 2025 Date: 2<sup>nd</sup> May, 2025 **Pritam Shah** 

Managing Director & Interim Chief Financial Officer

DIN: 01127247

## Standalone Statement of Changes in Equity for the year ended 31st March, 2025

## **Equity share capital (Refer note 16)**

(₹ in crores)

Particulars	For the year ended 31st March, 2025						
	Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting year		
Issued, subscribed and paid-up (Equity shares of face value ₹ 10 each)	119.20	-	119.20	0.00	119.20		

(₹in crores)

Particulars	For the year ended 31st March, 2024						
Balance at the beginning of the current reporting year		Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting year		
Issued, subscribed and paid-up (Equity shares of face value ₹ 10 each)	117.20	-	117.20	2.00	119.20		

Other equity (₹in crores)

Particulars		Reserves a	and Surplus		Money		Other	Total
	Securities premium	General reserve	Share Options Oustanding Account	Retained earnings	received against share warrants	Equity component of FCCB	Comprehensive Income	other equity
Balance as at 1st April, 2023	760.02	5.93	-	(81.17)	4.69	10.68	0.81	700.96
Profit for the year	-	-	-	91.95	-	-	-	91.95
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(0.43)	(0.43)
Securities premium	16.75	-	-	-	-	-	-	16.75
Warrants converted into equity	-	-	-	-	(4.69)	-	-	(4.69)
Balance as at 31st March, 2024	776.77	5.93	-	10.77	-	10.68	0.37	804.53
Profit for the year	-	-	-	123.54	-	-	-	123.54
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	(1.83)	(1.83)
Dividend	-	-	-	(5.97)	-	-	-	(5.97)
Share based payment expenses	-	-	0.34	-	-	-	-	0.34
Balance as at 31st March, 2025	776.77	5.93	0.34	128.34	-	10.68	(1.46)	920.60

Refer note 17 for nature and purpose of reserves

As per our report attached

**SHARP & TANNAN** 

Chartered Accountants
Firm's Registration No. 109982W

by the hand of

**Edwin Paul Augustine** 

Partner Membership No. 043385 Devendra Shah

Parag Milk Foods Limited

Chairman DIN: 01127319

**Pritam Shah** 

Managing Director & Interim Chief Financial Officer DIN: 01127247

Virendra Varma

Company Secretary & Compliance Officer Membership No. F10520

For and on behalf of the Board of Directors of

Place: Mumbai Place: Mumbai Date: 02nd May, 2025 Date: 02nd May, 2025

## Standalone Statement of Cash Flows for the year ended 31st March, 2025

(₹in crores)

		(₹ in crores
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Cash Flows from Operating Activities		
Profit before tax	134.84	82.86
Adjustments for:		
Depreciation and amortisation expense (includes on Right-of-Use assets)	59.68	55.71
(Reversal) / Allowance for advances	(8.87)	14.30
Reversal for expected credit loss	(12.63)	_
Bad debts written-off	35.01	_
Reversal for expected credit loss	(35.01)	-
Fair value gain on investments	-	(0.76)
Share-based payment expenses	0.34	_
Finance costs	85.07	71.57
Sundry balances written-back (net)	-	(1.47)
Exchange fluctuation gain (net)	2.49	2.50
Loss on sale of property, plant and equipments	0.04	0.00
Gain on Termination of Lease	(0.26)	-
Interest income	(3.21)	(4.16)
Operating profit before working capital changes	257.49	220.55
Decrease/ (increase) in inventories	34.92	(40.01)
(Increase) in trade receivables and other receivables	(84.88)	(142.96)
(Decrease) / increase in trade payables and other payables	(7.58)	50.15
(Decrease) in provisions	(0.77)	(1.14)
Cash generated from operations	199.18	86.59
Direct taxes paid (net of refunds)	(11.94)	(11.05)
Net cash flows generated from operating activities	187.24	75.54
B. Cash Flows from Investing Activities		
Purchase of property, plant and equipment (including Right-of-Use assets)	(101.45)	(31.34)
Purchase of intangible assets	(0.83)	(0.88)
Sale of property, plant and equipments	0.04	0.01
Proceeds from sale of mutual funds	-	5.69
Investment in Equity shares	-	(4.62)
Investment in equity shares of subsidiary company	-	(41.96)
(Loan given)/ Receipt from loan from subsidiary	(20.00)	41.96
Amount placed / Maturity proceeds from fixed deposits	(9.70)	3.46
Interest received	2.10	3.13
Net cash flows used in investing activities	(129.84)	(24.55)
C. Cash Flows from Financing Activities		
Inflow of financing activities		
Proceeds from issue of shares (net of issue expenses)	-	14.06
Proceeds from long-term borrowings	45.31	-
Repayment of long-term borrowings	(25.77)	(28.03)
Proceeds from short-term borrowings (net)	23.56	35.90
Repayment of lease liabilities	(9.08)	(6.78)
Repayment of interest on lease liabilities	(4.12)	(1.53)
Interest paid	(79.73)	(67.60)
Payment of dividend	(5.97)	-
Net cash flows used in financing activities	(55.80)	(53.98)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1.60	(2.99)
Cash and cash equivalents at the beginning of the year	10.04	13.03
Cash and cash equivalents at the end of the year	11.64	10.04
Casir and Casir equivalents at the end of the year	11.04	10.04

## Standalone Statement of Cash Flows for the year ended 31st March, 2025

## Components of cash and cash equivalents

(₹ in crores)

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Cash and cash equivalents include:		
Balances with banks	9.63	8.20
Cash on hand	2.01	1.84
Total	11.64	10.04

#### Notes:

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, Statement of Cash Flow, as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).
- Additions to property, plant and equipment include movements of capital work-in-progress and capital advance during the year. 2)

3) Changes in liabilities arising from financing activities (₹ in crores)

Particulars	Opening	Cash movement	Non-Cash Changes		Closing
	Balance		Fair value changes	Others	Balance
Long term borrowing (gross)	183.13	19.54	2.46	(8.09)	197.04
Short term borrowing (net)	326.39	23.56	-	7.76	357.71
Lease liability (Rou Asset)	16.49	(13.20)	-	20.74	24.03
Total	526.01	29.90	2.46	20.41	578.78

Figures for the previous year have been regrouped wherever necessary.

As per our report attached

**SHARP & TANNAN** 

**Chartered Accountants** Firm's Registration No. 109982W

by the hand of

For and on behalf of the Board of Directors of

**Parag Milk Foods Limited** 

**Edwin Paul Augustine** 

Partner

Membership No. 043385

**Devendra Shah** 

DIN: 01127319

Chairman

**Pritam Shah** 

Managing Director &

Interim Chief Financial Officer

DIN: 01127247

Virendra Varma

Company Secretary & Compliance

Officer

Membership No. F10520

Place: Mumbai Date: 02nd May, 2025 Place: Mumbai Date: 02nd May, 2025

For the year ended 31st March, 2025

#### **Corporate Information** 1.

Parag Milk Foods Limited (the 'Company') was incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) of the Company is L15204PN1992PLC070209. The registered office of the Company is situated at Flat No. 1, Plot No. 19, Nav Rajasthan Society, S. B. Road, Shivaji Nagar, Pune 411 016, Maharashtra.

The Company is engaged in the business of procurement of cow milk mainly in western and southern region, undertakes processing of milk and manufacture of various value-added products namely, Cheese, Butter, Ghee (clarified butter), Fresh cream, Milk powder, Flavoured milk, Lassi (yogurt based drink), Curd, Mithai (Indian sweets) etc., which are marketed under its registered brand name 'Gowardhan', 'Go', 'Topp Up', 'Gowardhan Khushiyan Mithai' and 'Avvatar'.

The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited.

The standalone financial statements were approved for issue by the Company's Board of Directors on 2<sup>nd</sup> May, 2025.

#### 2. **Basis of Accounting and Preparation of Financial Statements**

#### 2.1 **Statement of Compliance**

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act'), and other relevant provisions of the Act and presentation requirements of Division II of Schedule Ill to the Act. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The accounting policies are applied consistently to all the periods presented in the financial statements.

Details of Company's material accounting policies are included in Note 3 below.

## 2.2 Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

All amounts have been rounded-off to the nearest crore upto two decimal places, unless otherwise stated.

#### 2.3 Basis of measurement

The standalone financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for the following items:

Items	Measurement Basis
Certain Financial Assets and Liabilities	Fair value
Shared-based Payments	Fair value
Net Defined Benefit (Asset)/ Liability	Present value of defined benefit obligation less fair value of plan assets

#### 2.4 Current/Non-Current Classification

#### Current / non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of twelve months from the date of the financial statements. Accordingly, assets / liabilities expected to be realised / settled within twelve months from the date of financial statements are classified as current and other assets / liabilities are classified as non-current.

The Company presents assets and liabilities in the standalone balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

For the year ended 31st March, 2025

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### (ii) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### (iii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest crores (₹ 00,00,000) as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

## 2.5 Use of estimates and judgements

In the preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reported period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. Differences between actual results and estimates are recognized in the period in which the results are known / materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

#### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is as below:

Note 39 - Leases - determination of lease term of contracts with renewal and termination options - Company as a lessee.

Note 10 - Inventories - Valuation of Inventories

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year financial statements are as below and been discussed in detail in the relevant section of accounting policies:

- Note 40 Measurement of defined benefit obligations: key actuarial assumptions.
- Note 41 Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Note 4 Useful life of Property, Plant and Equipment
- Note 36 Fair value measurement of financial instruments
- Note 11 Allowance for doubtful debt
- Note 34 Estimation of tax expenses, utilization of deferred tax assets and tax payable.
- Note 39 Lease liabilities measurement of incremental borrowing rate.
- Note 37 Impairment of financial assets.
- Note 10 Inventories determination of net realisable value

For the year ended 31st March, 2025

#### 2.6 Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and nonfinancial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

Note 45 - Share-based Payment

Note 36 - Financial Instruments

#### **Material Accounting policies** 3

#### Property, plant and equipment 3.1

### **Recognition and measurement**

Freehold land is carried at historical cost. For freehold land as no finite useful life can be determined, related carrying amounts are not amortised.

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost and depreciated over their useful life.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in statement of profit and loss.

#### Subsequent expenditure

Subsequent expenditure is capitalised in the carrying amount of assets or recognized as a separate asset only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably.

All other repairs and maintenances are charged to the statement of profit and loss during the reporting period in which they are incurred.

#### **Depreciation**

Depreciation on cost of fixed assets is provided on straight-line-method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II to the Act, except for second hand machineries which are depreciated basis the balance useful life as specified in Schedule II to the Act. Leasehold building improvements are depreciated base on the management estimates of useful life, namely 3 years.

For the year ended 31st March, 2025

Depreciation on additions is provided on a *pro-rata* basis from the date of ready to use and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a *pro-rata* basis up to the month proceeding the month of deduction/disposal.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than estimated recoverable amount.

Useful life of the assets are as follows: -

Assets	Useful life (years)
Leasehold Building Improvements	3
Buildings	30
Plant and Equipment	3/5/6/8/10/11/12/15
Furniture and Fixtures	10
Vehicles	8/10
Office Equipment's	5
Computer	3

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial yearend and adjusted prospectively, if appropriate.

#### **Derecognition**

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

#### Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

#### Capital work-in-progress

Capital work-in-progress includes expenditure incurred, till the assets are put into intended use. Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

#### 3.2 Intangible assets

#### **Recognition and measurement**

Intangibles are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

#### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are recognized in the statement of profit and loss when incurred.

### **Amortization**

Amortization is recognized in profit and loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful lives are as follows:

Assets	Useful life (years)
Trade marks	10
Computer software	3

For the year ended 31st March, 2025

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level.

#### **Derecognition**

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

#### 3.3. Impairment

#### **Financial assets**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL with simplified approach. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

### **Non - Financial Assets**

### Intangible Assets and Property, Plant and Equipment

Intangible Assets and Property, Plant and Equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

### 3.4 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves use of identified asset;
- The Company has substantially all of the economic benefit of from use of the asset through the period of the lease; and
- The Company has the right to direct the use of the asset

At the date of commencement of lease, the Company recognize a Right-of-Use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve month or less (short-term leases) and low

For the year ended 31st March, 2025

value leases. For these short-term and low value leases, the Company recognizes the lease payments as operating expense on straight-line basis over the term of lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company depreciates the ROU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term. The Company also assesses the ROU asset for impairment when such indicators exist.

The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with corresponding adjustment to the related ROU asset if Company changes its assessment if whether it will exercise an extension or termination option.

Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients:

- 1. Applied a single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date.
- 2. Applied the exemption not to recognize ROU asset and liabilities for leases with less than twelve months of lease term of the date of initial application.
- 3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116, is applied only to contracts that were previously identified as leases under Ind AS 17, *Leases*.
- 4. Excluding initial direct costs for the measurement of ROU asset at the date of initial application.

#### The Company as a lessor

Leases for which the Company is a lessor classified as finance or operating lease. Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 3.5 Inventories

Inventories are valued at the lower of cost (including prime cost, GST and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. Taxes which are subsequently recoverable from taxation authorities are not included in the cost. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

Finished goods are valued at the lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition), computed on weighted average basis.

For the year ended 31st March, 2025

#### 3.6 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

#### 3.7 Trade Receivable

Trade receivable are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company unconditional right to consideration.

### 3.8 Trade and other payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade payables are presented as current unless payment is not due within twelve months after the reporting period. They are recognized initially at the fair value and subsequently measured at amortized cost using the effective interest method.

#### 3.9 Financial instruments

#### **Recognition and initial measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company initially recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

#### Classification and subsequent measurement

Financial assets

#### Financial assets carried at amortized cost

A debt instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss

### Financial assets at Fair Value Through Other Comprehensive Income (FVOCI)

A debt instrument is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method

In case, the Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (Other than Investments in equity instruments of Subsidiary) FVOCI. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.

### Investment in subsidiaries

Investment in subsidiary is carried at cost less impairment wherever applicable in the financial statements.

For the year ended 31st March, 2025

#### Financial assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

#### Financial liabilities at Fair Value Through Profit or Loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109, *Financial Instruments*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit and loss. The Company has not designated any financial liability as at FVTPL.

#### Financial liabilities at amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### **Derecognition**

#### **Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

#### **Financial liabilities**

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the statement of profit and loss.

#### Off-setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set-off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

#### 3.10 Revenue recognition

The Company is engaged in the business of procurement of cow milk and undertakes processing of milk and manufacture of various value-added products from milk. The Company derives revenues primarily from sale of milk and value-added products made from milk. The Company recognizes Ind AS 115, *Revenue from contracts with customers*, based on a five-step model as set out in the Standard:

**Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

For the year ended 31st March, 2025

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services ("transaction price").

Revenue is measured on the basis of transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Discounts are recognised in accordance with the schemes implemented by the Company. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

Processing charges is recognized as per the terms of the contract when the related services are rendered.

#### 3.11 Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on Bank Deposits is accrued on time proportionate basis and at the applicable interest rate.

#### 3.12 Government grant and incentives

Government incentives are recognized at fair value when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. The Government incentives are recognized in profit and loss on a systematic basis over the period in which the Company recognizes the related costs for which the incentives are intended to compensate as expense or immediately if the costs have already been incurred.

Eligible export incentives and Bio-Gas subsidy are recognized in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability

### 3.13 Share-based payment

Employees of the Company receive remuneration in the form of share-based payment in consideration of the services rendered. Under the equity settled share-based payment, the fair value on the grant date of the award given to employees is recognized as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer using Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest.

### 3.14 Foreign currency translation

#### **Initial Recognition**

On initial recognition, transaction in foreign currencies entered into by the Company are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

For the year ended 31st March, 2025

#### Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the statement of profit and loss except exchange differences on long term foreign currency monetary items related to acquisition of fixed assets prior to transition to Ind AS, which are included in the cost of fixed assets.

## 3.15 Income tax

Income tax comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in Other Comprehensive Income (OCI).

#### **Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

Current tax assets and liabilities are offset only if:

- i) there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- ii) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneous.

#### **Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding tax bases used for computation of taxable profits. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deductible temporary difference can be utilized.

Deferred tax assets recognized or unrecognized are reviewed at each reporting date and are recognized / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year-on-year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The Government of India, on 20<sup>th</sup> September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company has decided to take benefit of the reduced tax rate as permitted in the said section.

For the year ended 31st March, 2025

#### Presentation of current and deferred tax

Current and deferred tax are recognized as income or an expense in the statement of profit and loss, except when they relate to items that are recognized in OCI, in which case, the current and deferred tax income/ expense are recognized in OCI.

The Company offsets current tax assets and current tax liabilities, where it has legally enforceable right to set-off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has legally enforceable right to set-off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

#### 3.16 Borrowings

Borrowings are initially recognized at net of transaction costs incurred and measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method.

#### 3.17 Borrowing costs

Borrowing costs consist of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Interest and other borrowing costs attributable to qualifying assets are capitalised up to the date such assets are ready for their intended use. Other interest and borrowing costs are charged to statement of profit and loss.

### 3.18 Provisions, contingent liabilities and contingent assets

The Company recognizes the provisions when a present obligation (legal or constructive) as a result of past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risk specific to the liability. When discounting is used, the increase in provision due to passage of time is recognized as a finance cost.

A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying the economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying the economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognized. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be extracted on capital account and not provided for.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

## 3.19 Employee Benefits

#### **Short-Term Employee Benefits**

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, and performance incentives and are recognized as expenses in the period in which the employee renders the related service.

#### **Post-Employment Benefits**

Contributions to defined contribution schemes, such as, Provident Fund, Employees State Insurance are recognized as expenses in the period in which the employee renders the related service. The Company has no further obligations beyond its monthly contributions. The Company also provides for post-employment defined benefit in the form of gratuity. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet

For the year ended 31st March, 2025

date. Re-measurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognized in OCI. The effect of any plan amendments are recognized in net profit in the statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

### 3.20 Earnings Per Share

#### Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit / loss attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

#### Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings shares to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### 3.21 Statement of Cash Flows

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

#### 3.22 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

#### 3.23 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. For the year ended 31 March, 2025, MCA has notified Ind -AS 117 *Insurance Contracts* and amendments to Ind-AS 116 *Leases*, relating to sale and leaseback transactions, applicable to the Company w.ef. 01 April, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that the new pronouncement is not applicable to the Company.

For the year ended 31st March, 2025

## Note 4: Property, plant and equipment

₹in crores

Particulars	Freehold land	Leasehold building improvements	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer	Total
Year ended 31st March, 2024									
Gross carrying amount									
Opening gross carrying amount	16.16	4.16	78.80	505.29	4.66	6.91	2.99	4.95	623.93
Additions during the year	2.03	-	6.05	30.87	1.22	0.32	0.31	1.16	41.97
Disposals/Adjustments during the year	-	-	-	-	-	(0.09)	-	-	(0.09)
Closing gross carrying amount as at 31st March, 2024	18.19	4.16	84.85	536.17	5.88	7.15	3.30	6.11	665.81
Accumulated depreciation									
Opening accumulated depreciation	-	3.94	21.32	287.62	2.49	3.68	2.23	4.23	325.51
Depreciation charge during the year	-	-	2.89	43.57	0.51	0.69	0.31	0.43	48.41
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation up to 31 <sup>st</sup> March, 2024	-	3.94	24.21	331.19	3.00	4.37	2.54	4.66	373.92
Impairment									
Opening balance	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Impairment up to 31 <sup>st</sup> March, 2024	-	-	-	-	-	-	-	-	-
Net carrying amount as at 31st March, 2024	18.19	0.22	60.64	204.98	2.88	2.78	0.76	1.45	291.89
Year ended 31 <sup>st</sup> March, 2025									
Gross carrying amount									
Opening gross carrying amount	18.19	4.16	84.85	536.17	5.88	7.15	3.30	6.11	665.81
Additions during the year	2.04	2.10	16.59	43.97	2.23	0.57	1.28	1.17	69.96
Disposals/Adjustments during the year	-	-	-	(0.14)	-	(0.12)	-	-	(0.26)
Closing gross carrying amount as at 31st March, 2025	20.24	6.26	101.44	580.00	8.11	7.60	4.58	7.28	735.51
Accumulated depreciation									
Opening accumulated depreciation	-	3.94	24.21	331.19	3.00	4.37	2.54	4.66	373.91
Depreciation charge during the year	-	0.19	3.18	42.11	0.59	0.65	0.31	0.70	47.74
Disposals/Adjustments during the year	-	-	-	(0.08)	-	(0.10)	-	-	(0.18)
Closing accumulated depreciation up to 31 <sup>st</sup> March, 2025	-	4.13	27.39	373.22	3.59	4.92	2.85	5.36	421.47
Impairment									
Opening balance	-	-	_	_	_		-	-	_
Impairment during the year	-	-	-	-	-	-	-	-	-
Impairment up to 31 <sup>st</sup> March, 2025	-	-	-	-	-	-	-	-	-
Net carrying amount as at 31st March, 2025	20.24	2.13	74.05	206.78	4.52	2.68	1.73	1.92	314.04

Refer Note 35 for information on Property, plant and equipments pledged as security by the company.

For the year ended 31st March, 2025

Note 4A: Capital	Work-in-progress
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₹in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Reconciliation of carrying amount		
Opening balance	9.67	8.64
Additions during the year	9.72	7.23
Capitalised during the year	(7.14)	(6.20)
Closing balance	12.24	9.67

## Ageing of Capital Work-in-progress as on 31st March, 2025

₹in crores

Particulars	Amount in CWIP for a period of					
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	7.01	2.63	2.60	-	12.24	
Projects temporarily suspended	-	-	-	-	-	
Total	7.01	2.63	2.60	-	12.24	

## Ageing of Capital Work-in-progress as on 31st March, 2024

₹in crores

		,			
Particulars		Amount in CWI	P for a period of		Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	2.03	1.50	6.14	-	9.67
Projects temporarily suspended	-	-	-	-	-
Total	2.03	1.50	6.14	-	9.67

#### Notes:

- 1 For details of assets given as security against borrowings (Refer note 18 and 21)
- 2 Amount of contractual commitments for the acquisition of Property, plant and equipments (Refer note 41)
- 3 There are no Capital Work-in-progress (CWIP) that are overdue or have exceeded their original plan/budget.
- 4 There is no impairment during the year of Property, plant and equipments and capital working in progress.
- No proceedings has been initiated or pending against the company for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and the rules made there under.

### Note 5: Other intangible assets

₹ in crores

Particulars	Computer software	Patents / Trade Marks	Total
Year ended 31st March, 2024			
Gross carrying amount			
Opening gross carrying amount	7.42	1.35	8.76
Additions during the year	0.88	-	0.88
Closing gross carrying amount as at 31st March, 2024	8.30	1.35	9.64
Accumulated amortisation			
Opening accumulated amortisation	7.22	1.35	8.57
Amortisation charge for the year	0.18	-	0.18
Closing accumulated amortisation up to 31st March, 2024	7.40	1.35	8.75
Impairment			
Opening Balance	-	-	-
Impairment during the year	-	-	-
Impairment up to 31st March, 2024	-	-	-
Net carrying amount as at 31st March, 2024	0.89	-	0.89

For the year ended 31st March, 2025

₹in crores

Particulars	Computer software	Patents / Trade Marks	Total
Year ended 31st March, 2025			
Gross carrying amount			
Opening gross carrying amount	8.30	1.35	9.65
Additions during the year	0.82	-	0.82
Closing gross carrying amount as at 31st March, 2025	9.12	1.35	10.47
Accumulated amortisation			
Opening accumulated amortisation	7.40	1.35	8.75
Amortisation charge for the year	0.48	-	0.48
Closing accumulated amortisation up to 31st March, 2025	7.88	1.35	9.23
Impairment			
Opening Balance	-	-	-
Impairment during the year	-	-	-
Impairment up to 31st March, 2025	-	-	-
Net carrying amount as at 31st March, 2025	1.24	-	1.24

#### Note:

- There are no contractual commitments for the acquisition of intangible assets at the reporting date. 1.
- The company does not have any project related to development of an intangible asset whose completion is overdue or any project where cost have exceeded as compared to the original plan. There are no project where activities have been suspended.
- There are no intangible asset development during the year. 3.
- There is no impairment during the year for intangible assets.

## Note 5A: Right-of-Use assets

₹incrores

Particulars	Plant & Machinery	Building	Land	Total
Year ended 31st March, 2024				
Gross carrying amount				
Opening gross carrying amount	24.19	4.29	-	28.48
Additions during the year	-	10.13	-	10.13
Disposals/Adjustments during the year	-	-	-	-
Closing gross carrying amount as at 31st March, 2024	24.19	14.42	-	38.61
Accumulated depreciation				
Opening accumulated depreciation	14.32	1.38	-	15.70
Depreciation charge during the year	5.60	1.52	-	7.12
Disposals/Adjustments during the year	-	-	-	-
Closing accumulated depreciation up to 31st March, 2024	19.92	2.90	-	22.82
Impairment				
Opening Balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2024	-	-	-	-
Net carrying amount as at 31st March, 2024	4.27	11.52	-	15.80
Year ended 31st March, 2025				
Gross carrying amount				
Opening gross carrying amount	24.19	14.42	-	38.61
Additions during the year	17.75	3.18	0.51	21.44
Disposals/Adjustments during the year	(18.12)	-	-	(18.12)

For the year ended 31st March, 2025

### Note 5A: Right-of-Use assets

₹in crores

Particulars	Plant & Machinery	Building	Land	Total
Closing gross carrying amount as at 31st March, 2025	23.82	17.60	0.51	41.93
Accumulated depreciation				
Opening accumulated depreciation	19.92	2.90	-	22.82
Depreciation charge during the year	7.47	3.97	0.02	11.46
Disposals/Adjustments during the year	(16.59)	-	-	(16.59)
Closing accumulated depreciation up to 31st March, 2025	10.80	6.87	0.02	17.69
Impairment				
Opening Balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2025	-	-	-	-
Net carrying amount as at 31st March, 2025	13.02	10.73	0.49	24.24

All lease agreements are duly executed in favour of the Company.

Refer note 39 disclosure pursuant to Indian Accounting Standard (Ind AS) 116, Leases

#### **Note 6: Non-current Investments**

₹in crores

Particulars	Face	As at 31st Mar	ch, 2025	As at 31st Mar	ch, 2024
	value	Quantity (Nos)	Value	Quantity (Nos)	Value
Unquoted					
Investment in equity instruments (fully paid-up)					
Investment in wholly owned subsidiary carried (at amortizied cost)					
Bhagyalaxmi Dairy Farms Private Limited	₹10	77,90,372	104.23	77,90,372	104.23
Investment in other entities (at amortizied cost)					-
TP Solapur Saurya Limited	₹10	46,24,704	4.62	46,24,704	4.62
Investment in other entities (fair value through profit or loss)					
OPGS Power Gujarat Private Limited	-	2,18,000	-	2,18,000	-
Rupee Co-Operative Bank Limited (under liquidation)	-	3,800	-	3,800	-
Other investments					
Unquoted					
Investment in other entities (fair value through profit or loss)					
Sharad Sahakari Bank Limited	-	318	-	318	-
SVC Co-operative Bank Limited	0.00	100	0.00	100	0.00
Total			108.85		108.85
Total non-current investments			108.85		108.85
Aggregate amount of quoted investments at cost			-		-
Aggregate amount of market value of quoted investments			_		-
Aggregate amount of unquoted investments at cost			108.85		108.85
Aggregate amount of impairment in the value of investments			-		-

#### Notes:

The investments are in compliance with Section 186(4) of the Companies Act, 2013.

Refer notes 36 and 37 for information about fair value measurement, credit risk and market risk of Investments

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year 2024-25 & 2023-24

During the year, subsidairy company namely, Parag Foods Middle East FZE ("PFME FZE") was incorporated in Dubai. The operations are yet to commence.

For the year ended 31st March, 2025

Note 7: Loans ₹ in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Loan considered good-Unsecured	20.00	2.91
Loan credit-impaired	-	0.29
Less: Allowances for doubtful loans	-	(0.29)
Total	20.00	2.91

Refer note 37 for information about credit risk and market risk for loans

#### Note:

- a) Loans given to related parties are not repayable on demand, bearing interest rate at the rate of 10.00% p.a. and the respective agreements specify adequate terms and period of repayment. The said loan has been given for expansion and general corporate purposes.
- b) The company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- c) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- d) Disclosures pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

₹ in crores **Particulars** As at **As at** 31st March, 2025 31st March, 2024 (a) Loans to Subsidiaries (i) Bhagyalaxmi Dairy Farms India Private Limited Balance as at the beginning of the year 28.53 Loans given during the year 20.00 Loans repaid during the year 28.53 Balance as at the end of the year 20.00 Maximum amount outstanding at any time during the year 28.53 20.00 (b) Loans to Others Balance as at the beginning of the year 2.91 3.00 Loans given during the year Loans repaid during the year 2.91 Balance as at the end of the year 2.91 Maximum amount outstanding at any time during the year 2.91 3.00 2.91 20.00 Total

For the year ended 31st March, 2025

### Note 8: Non-Current - Other financial assets

₹ in crores

Particulars	As at	Asat
Farticulars	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024
Unsecured, considered good		
Terms deposits with bank having original maturity of more than one year *	29.70	16.14
Other deposits		
Considered good - Unsecured	10.44	8.42
Credit impaired	0.94	3.46
Less: Allowances for doubtful deposits	(0.94)	(3.46)
	10.44	8.42
Interest Receivable	0.77	0.72
Total	40.91	25.28

<sup>\*</sup>The Company held Term deposits with bank having original maturity of more than one year of ₹29.70 crore as at 31st March, 2025 ( 31st March, 2024: ₹16.14 crore).

The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

## Note 9: Other non-current assets

₹ in crores

Particulars	Asat	As at
	31st March, 2025	31st March, 2024
Capital advances (unsecured)		
Considered good	29.42	7.38
Credit impaired	-	0.84
Less: Allowances for doubtful advances	-	(0.84)
	29.42	7.38
Prepaid expenses	0.06	0.06
Total	29.48	7.44

## Note 10: Inventories

₹in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31st March, 2024
Raw materials	12.48	4.19
Work-in-progress	283.74	348.89
Finished goods (Refer note below)	215.10	206.43
Packing materials, stores spares and consumables	52.02	38.75
Total	563.34	598.26

#### Notes:

The cost of inventories recognised as an expense is disclosed in Note 28 together with purchases disclosed in the Statement of Profit and Loss.

The mode of valuation of inventories has been stated in Note 3(5) of material accounting policy

Inventories given as hypothecation with bankers against working capital limit Refer Note 18 and 21

For the year ended 31st March, 2025

The above includes goods in transit as below:

		₹in crores
Particulars	As at	Asat
	31st March, 2025	31st March, 2024
Stock-in-transit - finished goods	2.99	2.22

## Note 11: Trade receivables

₹ in crores

Pwarticulars	As at	As at
	31 <sup>st</sup> March, 2025	31st March, 2024
Trade receivables - Considered good ,Unsecured	249.40	235.28
Trade receivables- which have significant increase in credit risk (ageing)	15.89	63.52
Less: Allowance for expected credit loss	(15.89)	(63.52)
Total	249.40	235.28
The movement in allowance for expected credit loss is as follows:		
Balance as at beginning of the year	63.52	53.92
(Reversal)/ Provision for expected credit losses during the year	(12.63)	9.60
Trade receivables written off during the year	(35.01)	-
Balance as at the end of the year	15.89	63.52

## Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2025

Particulars	Not	Outstanding for following periods from due date of payment					Total
	due	Less than 6 Months	6 months - 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed trade receivables considered good	230.04	8.54	8.71	1.56	0.55	0.00	249.40
Undisputed trade receivables which have significant increase in credit risk	-	-	-	2.43	0.62	12.84	15.89
Undisputed trade receivables - credit impaired	-	_	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	_	-	-	-	-	-
TOTAL (A)	230.04	8.54	8.71	3.99	1.17	12.84	265.29
Allowance for expected credit loss	-	-	-	2.43	0.62	12.84	15.89
Allowance for credit impairment	-	_	-	-	-	-	-
TOTAL (B)	-	-	-	2.43	0.62	12.84	15.89
TOTAL [(A)- (B)]	230.04	8.54	8.71	1.56	0.55	0.00	249.40
Percentage of expected credit loss followed for each bracket	0%	0%	0%	61%	53%	100%	

For the year ended 31st March, 2025

### Ageing for trade receivables from the due date of payment for each of the category as at 31st March, 2024

Particulars	Not	Outstanding for following periods from due date of payment					Total
	due	Less than 6 Months	6 months - 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed trade receivables considered good	123.58	102.75	5.86	2.96	0.13	-	235.28
Undisputed trade receivables which have significant increase in credit risk	-	4.12	3.99	10.68	2.91	41.82	63.52
Undisputed trade receivables - credit impaired	-	_	-	-	-	_	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	123.58	106.87	9.85	13.64	3.05	41.82	298.80
Allowance for expected credit loss	-	4.12	3.99	10.68	2.91	41.82	63.52
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	-	4.12	3.99	10.68	2.91	41.82	63.52
TOTAL [(A)- (B)]	123.58	102.75	5.86	2.96	0.13	-	235.28
Percentage of expected credit loss followed for each bracket	0%	4%	41%	78%	96%	100%	

#### Notes:

- a. Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.
- b. No trade receivables are due from directors or other officers of the Company, either severally or jointly with any other person, nor any trade and other receivables are due from firms or private companies respectively in which any directors is a partner, a director or a member.
- c. For the Company's exposure to credit and currency risk related to trade receivables [Refer notes 37 (A) and 37 (C)].
- d. Trade receivables are receivable in normal operating cycle and and are disclosed net of an allowance for bad or doubtful debts.
- e. Trade receivables stated above are charged on a first pari-passu basis between working capital consortium members led by Union Bank of India, SVC Co-operative Bank Limited, State Bank of India and IDBI Bank Limited.
- f. There are no unbilled dues during the year. Trade receivable are not interest bearing.
- g. Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers

## Note 12: Cash and cash equivalents

₹ in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Balances with banks		
Current accounts	9.63	1.10
Short-term bank deposits (maturity less than 3 months)*	-	7.10
Cash on hand	2.01	1.84
Total	11.64	10.04

<sup>\*</sup> Short-term deposits are made for varying periods depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposits rates.

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.

For the year ended 31st March, 2025

## Note 13: Bank balances other than cash and cash equivalents

₹in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Short-term bank deposits (maturity more than 3 months but less than 12 months)	13.16	17.02
Total	13.16	17.02

Note: The Company held cash and cash equivalents and other bank balances of ₹13.16 crore as at 31st March, 2025 (31st March, 2024: ₹17.02 crore). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and are considered to be good.

### Note 14: Current tax assets

₹in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Current tax assets (net)	37.08	25.14
Total	37.08	25.14

## Note 15: Other current assets

₹incrores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31st March, 2024
Advances other than capital advances	21	
Unsecured considered good unless stated otherwise:		
Prepaid expenses	50.80	52.31
Advances to suppliers/others		
Considered good	214.29	227.32
Considered doubtful	6.74	6.74
Less: Allowances for doubtful advances	(6.74)	(6.74)
	214.29	227.32
Others	0.25	-
Advances to subsidiary	46.63	19.16
Recoverable from statutory and government authorities		
Balances with government authorities	189.72	115.02
Less: Allowances for doubtful recovery	(2.22)	(3.76)
	187.50	111.26
Grand Total	499.47	410.05

#### Note:

The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member.

For the year ended 31st March, 2025

## **Note 16: Equity Share Capital**

### (a) Details of Equity Share Capital

₹in crores

Particulars	As at 31st March, 2025		As at 31st March, 2024		
	Number of shares	Amount	Number of shares	Amount	
Authorised shares					
Equity shares of face value of ₹10 each	20,00,00,000	200.00	20,00,00,000	200.00	
Issued, subscribed and fully paid-up shares					
Equity shares of face value of ₹10 each	11,92,04,826	119.20	11,91,99,826	119.20	

# (b) Reconciliation of the number of Equity shares and Equity share capital amount outstanding at the beginning and at the end of the year

₹ in crores

Particulars	Number of shares	Face value (₹)	Amount
As at 31st March, 2023	11,73,75,841	10.00	117.38
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,73,75,841	10.00	117.38
Add: Share Warrant converted into equity (face value of 20,00,000 shares allotted to a Director)	20,00,000	10.00	2.00
Less: Amount recoverable from ESOP Trust (face value of 1,76,015 shares allotted to the Trust)	1,76,015	10.00	0.18
As at 31st March, 2024	11,91,99,826	10.00	119.20
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,93,70,841	10.00	119.37
Add: Shares issued on exercise of employee stock option	5,000	10.00	0.00
Less: Amount recoverable from ESOP Trust (face value of 1,71,015 share alloted to the Trust)	1,71,015	10.00	0.17
As at 31st March, 2025	11,92,04,826	10.00	119.20

#### (c) Terms and rights attached to equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹10 per share. Each holders of equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. In the event of liquidation of the company, the holders of equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors in their meeting on  $2^{nd}$  May 2025 recommended a final dividend of  $\P$ 1 (One) per equity share for the financial year ended  $31^{st}$  March 2025. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately  $\P$ 11.92 crore. It is not recognised as a liability as at  $31^{st}$  March 2025.

## (d) Details of shareholders holding more than 5% shares in the Company $^*$

Particulars	As at 31st M	arch, 2025	As at 31st March, 2024	
-	Number of shares	% holding of total shares	Number of shares	% holding of total shares
Equity shares of face value of ₹10 each fully paid held by -				
Mr. Devendra Prakash Shah	2,02,06,400	16.95%	2,02,06,400	16.95%
Mr. Pritam Prakash Shah	91,59,888	7.68%	91,59,888	7.68%
Mrs. Netra Pritam Shah	1,38,67,027	11.63%	1,38,67,027	11.63%
Sixth Sense Indian Opportunities III	81,67,245	6.85%	81,67,245	6.85%

<sup>\*</sup> as per the records of the Company, including its register of members

For the year ended 31st March, 2025

(e) Details of shareholdings by the Promoter's of the Company

Promoter Name	As at 31st M	arch, 2025	As at 31st M	% change in	
	Number of shares	% holding of total shares	Number of shares	% holding of total shares	the year
Mr. Devendra Prakash Shah	2,02,06,400	16.95%	2,02,06,400	16.95%	0.00%
Mr. Pritam Prakash Shah	91,59,888	7.68%	91,59,888	7.68%	0.00%
Late Prakash Babu Lal Shah	100	0.00%	100	0.00%	0.00%
Mrs. Netra Pritam Shah	1,38,67,027	11.63%	1,38,67,027	11.63%	0.00%
Mrs. Priti Devendra Shah	22,22,820	1.86%	22,22,820	1.86%	0.00%
Mr. Poojan Devendra Shah	32,95,000	2.76%	32,95,000	2.76%	0.00%
Ms. Akshali Devendra Shah	20,00,000	1.68%	20,00,000	1.68%	0.00%
Mrs. Shabdali Mitul Desai	10,000	0.01%	10,000	0.01%	0.00%
Mr. Stavan Pritam Shah	100	0.00%	100	0.00%	0.00%
Mrs. Rajani Prakash Shah	100	0.00%	100	0.00%	0.00%
Late Parag Prakash Shah	1,00,000	0.08%	1,00,000	0.08%	0.00%
Total Promoters shares outstanding	5,08,61,435	42.67%	5,08,61,435	42.67%	
Total shares outstanding	11,92,04,826		11,91,99,826		

- (f) As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares. The above percentage have been computed after excluding 171,015 nos (31st March, 2024 176,015 nos) of equity shares issued to ESOP Trust.
- (g) The Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date.
- (h) Shares reserved for issue under Employee stock purchase plan Information relating to Employee stock purchase plan, including details of options issued, exercised and lapsed during the financial year and options outstanding as at the end of the reporting period are set out in note 45.

**Note 17: Other Equity** 

₹in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024	
Securities premium	776.77	776.77	
General reserve	5.93	5.93	
Retained earnings	128.34	10.77	
Other comprehensive income			
- Remeasurements of defined benefit plans	(1.46)	0.37	
Shares options oustanding account	0.34	-	
Equity components of FCCB	10.68	10.68	
Total	920.60	804.51	

Note: For movements in reserves - Refer Statement of Changes in Equity.

For the year ended 31st March, 2025

Particulars	Asat	Asat
. di todicio	31st March, 2025	31 <sup>st</sup> March, 2024
Securities premium (A)		
Opening balance	776.77	760.02
Movement during the year*	-	16.75
Closing balance	776.77	776.77
*Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on Febuary 14, 2024, the Company has issued 20,00,000 Equity Shares of ₹10 each at a premium of ₹83.75 to Ms. Akshali Shah.		
General reserves (B)		
Opening balance	5.93	5.93
Movement during the year	-	-
Closing balance	5.93	5.93
Share options oustanding account (C)		
Opening balance	-	-
Share based payment expenses	0.34	
Movement during the year	-	-
Closing balance	0.34	-
Retained earnings (D)		
Opening balance	10.77	(81.17)
Add: Profit after tax for the year	123.54	91.95
Less: Dividend	(5.97)	-
Closing balance	128.34	10.77
Share warrants (E)		
Opening balance	-	4.69
Warrants converted into equity**	-	(4.69)
Closing balance	-	-
**The Company has vide board resolution dated 14 <sup>th</sup> Febuary, 2024, had converted 20,00,000 convertible share warrants in to 20,00,000 equity shares having a face value of ₹ 10 each at a price of ₹ 93.75 (including a premium of ₹ 83.75) issued to Ms.Akshali Shah.		
Foreign currency convertible bonds (FCCB) (F)		
Opening balance	10.68	10.68
Movement during the year	-	-
Closing balance	10.68	10.68
Other comprehensive income (G)		
Opening balance	0.38	0.81
Movement during the year (net of tax)	(1.83)	(0.43)
Closing balance	(1.46)	0.38
Closing balance	920.60	804.52

For the year ended 31st March, 2025

#### Nature and purpose of reserves

#### (a) Securities premium

The amount received in excess of face value of the equity shares is recognised as securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 ("the Act").

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc. Mandatory Transfer to general reserve is not required under the Act.

#### (c) Share options outstanding account

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense.

#### (d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, net-off less any transfers to general reserve, dividends or other distribution to the shareholders.

#### (e) Share warrants

Share warrants are instruments that give their holder the right to buy the stock of the issuing company at a predetermined price within a stipulated time frame. They are similar to options, the holder of a warrant has the right (but not the obligation) to purchase the shares of a company at a specified price in the future.

#### (f) Foreign Currency Convertible Bonds:

The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹135 per share which is subject to adjustments in accordance with the terms agreed between the parties and applicable law. FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription.

#### (g) Other comprehensive income:

Remeasurement of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

Debt Instruments through Other Comprehensive Income: The fair value change of the debt instruments measured at FVOCI is recognised in Debt instruments through OCI. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

Fair value of cash flow hedges through Other Comprehensive Income: The effective portion of the fair value change of the cash flow hedges measured at fair value through other comprehensive income is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the statement of profit and loss at the same time as the related cash flow.

For the year ended 31st March, 2025

## Note 18: Non-Current - Borrowings

₹ in crores

Particulars	Asat	Asat	
	31st March, 2025	31st March, 2024	
Measured at amortised cost			
Unsecured			
FCCB Bond (Refer note 18(a))	81.22	78.60	
Secured			
Non convertible Debenture (NCD) (Refer note 18(b))	104.71	127.60	
Term loans from Bank (Refer note 18(c))	42.93	0.88	
Vehicle loan (Refer note 18(d))	0.30	0.41	
Less: Current maturity related to above	(32.13)	(24.37)	
Total	197.04	183.13	

#### Notes:

(a) Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on 28<sup>th</sup> May, 2021, the Company had issued 10,680 Foreign Currency Convertible Bonds (FCCB) having face value of USD 1,000 each through private placement of unlisted, unsecured, unrated to International Finance Corporation (IFC).

The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹ 135 per share, as per IFC's letter dated 03<sup>rd</sup> January, 2024 for IFC's in-principle approval for amendment to certain provisions of the FCCB Subscription Agreement dated 8<sup>th</sup> May, 2021 executed between IFC and the Company.

FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription. Coupon offered, if any of FCCB's, are repayable in 10 semi annual instalments starting from 15<sup>th</sup> June, 2021.

No interest shall be payable if the volume weighted average price per equity share of the Company traded on the relevant stock exchange for a 3 month period is equal to or greater than ₹ 200 per share, accordingly no interest provision has been made for the year ended 31st March, 2025.

- (b) Non-Convertible Debentures (NCDs) are payable as per redemption schedule w.e.f. 15<sup>th</sup> June, 2023 to 15<sup>th</sup> June, 2029 in thirteen instalments, half yearly on 15<sup>th</sup> June and 15<sup>th</sup> December of ₹ 11.54 crore each presently carrying interest @ 10.81% p.a. The company shall use the proceeds from the issue of the debentures pursuant to this deed to finance its future expansion plans and working capital requirements, in accordance with the financial plan and applicable law. The loan is secured by First pari passu charge by hypothecation of movable and mortgage of immovable properties situated at Samudrapalle Village, Panchayathi Palamner Mandal, Andhra Pradesh and Aawasari Phata Manchar, Taluka Ambegaon, Maharashtra together with all the erections and constructions of every description which are standing, erected or attached to the properties.
- (c) Term loan from a bank of ₹ 42.93 crore ( 31st March, 2024: ₹ 0.88 crore) carry interest @ 10.75% p.a. The loans are repayable over 60 monthly instalments maturing in January 2030 of ₹ 0.90 crore along with interest. The loan is secured by exclusive charge on fixed assets acquired from proceeds of such loan, Exclusive Mortgage Charge on Land & Building Convention Centre, Padma Nidhi 149/1, Samudra Palli (Vi), Pengaragunta (P.O.), Palamaner (Mdl), Chittoor (Dist), A.P.-517408, Subservient Charge on Factory land and building at Samudrapalle Village, Panchayathi Palamner Mandal, Andhra Pradesh and Aawasari Phata Manchar, Taluka Ambegaon, Maharashtra and mortgage of Entire (Present & Future) Plant & Machinery and other fixed assets owned by the company and personal guarantee of Mr. Devendra Shah and Mr. Pritam Shah
- (d) Hire purchase loan of ₹ 0.30 crore ( 31st March, 2024 : ₹ 0.41 crore) from HDFC Bank Ltd carries interest @ 9.35 % p.a. The loans are repayable in 60 monthly instalments maturing in November 2029 of ₹ 0.01 crore each. The loan is secured by specific assets financed (vehicle).
- (e) Average interest rate for the non-current borrowings is 0% p.a. 10.81% p.a.
- (f) Refer Note 37 for information about liquidity risk and market risk of borrowings.
- (g) All charges have been registered with the Registrar of Companies (RoC). The company does not have charges which is yet to be registered with the Registrar of Companies (RoC) beyond the statutory period.

For the year ended 31st March, 2025

#### Note 19: Lease Liabilities - Non Current

₹in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Lease liability (Refer note 39)	17.02	9.96
Total	17.02	9.96

## **Note 20: Provisions**

₹in crores

Particulars	Asat	As at	
	31st March, 2025	31st March, 2024	
Non-current:			
Provision for employee benefits			
For compensated absences (Refer note 40)	-	0.69	
For gratuity (Refer note 40)	4.26	2.58	
Total	4.26	3.27	
Current:			
Provision for employee benefits			
For compensated absences (Refer note 40)	-	0.21	
Total	-	0.21	

## Note 21: Borrowings - current

₹in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024	
Secured			
Loans repayable on demand			
From banks- cash credit	325.58	302.02	
Others			
Current maturities of long-term debt (Refer note 18)	32.13	24.37	
Total	357.71	326.39	

#### Notes:

Cash credit from banks are secured by first charge Hypothecation on all current assets of the company and second pari passu charge by way of mortgage on property situated at Samudrapalle Village, Panchayathi Palamner Mandal, Andhra Pradesh and Aawasari Phata Manchar, Taluka Ambegaon, Maharashtra and by way of Hypothecation of plant and equipments along with furniture and fixture situated at respective properties of the company together with personal guarantee of promoter directors. The cash credit is repayable on demand and carries interest @ 9.90% p.a. to 10.85% p.a.

For the year ended 31st March, 2025

## Note 22: Lease Liabilities - Current

₹ in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Lease liability (Refer note 39)	7.01	6.53
Total	7.01	6.53

## Note 23: Trade payables

₹in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
(A) Total outstanding dues of micro enterprises and small enterprises	11.16	11.89
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises.*	211.95	202.48
Total	223.11	214.37

<sup>\*</sup> Amount due to related parties (Refer note 42)

Refer note 37 for information about liquidity and market risk of trade payable.

#### Notes:

## (a) Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2025

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	11.10	0.06	-	-	11.16
Undisputed dues - Others	150.87	54.40	1.37	4.79	0.52	211.95
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	150.87	65.50	1.43	4.79	0.52	223.11

### Ageing for trade payables from the due date of payment for each of the category as at 31st March, 2024

₹ in crores

Particulars	Not Due	Outstanding for	Total			
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	7.05	4.14	0.69	0.01	-	11.89
Undisputed dues - Others	118.29	68.33	12.36	2.34	1.16	202.48
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	125.34	72.47	13.05	2.35	1.16	214.37

# (b) The company has certain dues to supplies registered under as "micro" and "small" under Micro, Small and Medium Enterprises Act, 2006

#### The disclosures pursuant to the said MSMED Act are as follows:

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came in to force from  $2^{nd}$  October, 2006, certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the Management, the following disclosures are made for the amounts due to Micro and Small enterprises:

For the year ended 31st March, 2025

_				
•	ın	Cr	$\sim$	$r \cap c$

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	11.16	11.89
Interest	0.81	1.66
Amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006, along with the amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the delay in making payment (which has been paid but beyond the appointed day during the year) but without adding interest specified under MSMED Act, 2006.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	3.81	3.00
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	3.81	3.00

- (c) This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no material overdue principal amounts to such vendor as at the Balance Sheet date.
- (d) Bill discounting under LC/Non LC are secured by hypothecation of bills covering inland/export sale.
- (e) The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 37.

### Note 24: Other financial liabilities - Current

₹ in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Interest accrued but not due on borrowings	9.06	7.50
Deposits - others	15.07	12.54
Employee related liabilities	10.12	9.03
Trade payable for capital goods other than payable to micro enterprises and small enterprises	15.01	20.17
Directors remuneration payable	0.44	2.74
Total	49.68	51.98

Note: There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as on 31st March, 2025 (31st March, 2024: Nil)

## (a) Ageing for trade payables for capital goods from the due date of payment for each of the category as at 31st March, 2025

₹in crores

Posticulous Net Due Outstanding for fellowing posieds from due data of normant						Total	
Particulars Not Due			Outstanding for following periods from due date of payment  Less than 1 year 1-2 years 2-3 years More than 3 years				
		Less than Tyear	1-2 years	2-3 years	wore than 3 years		
Undisputed dues MSME	-	-	_	-	-	-	
Undisputed dues - Others	8.74	1.59	1.55	0.12	3.01	15.01	
Disputed dues - MSME	-	-	-	-	-	-	
Disputed dues - Others	-	-	-	-	-	-	
Total	8.74	1.59	1.55	0.12	3.01	15.01	

For the year ended 31st March, 2025

# (b) Ageing for trade payables for capital goods from the due date of payment for each of the category as at 31st March, 2024

₹in crores

Particulars	Not Due	Outstanding for	te of payment	Total		
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	-	-	-	-	-
Undisputed dues - Others	11.85	3.40	0.59	-	4.32	20.17
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	11.85	3.40	0.59	-	4.32	20.17

## Note 25: Other current liabilities

₹in crores

Particulars	As at	As at
	31 <sup>st</sup> March, 2025	31st March, 2024
Advances from customers*	18.85	39.34
Statutory dues payables	7.71	7.42
Total	26.56	46.75

<sup>(\*</sup> Does not include financing component.)

## Note 26: Revenue from Operations

₹in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of products	3,262.05	3,029.17
Other operating revenue	105.35	60.66
Total	3,367.40	3,089.83

### Disaggregation of revenue from contract with customers

The Company has determined the categories of disaggregation of revenue considering the types/ nature of contracts. The Company derives revenue mainly from the transfer of control over the goods to the customers.

₹ in crores

Pa	rticulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A.	Revenue from contract with customers:		
	Sale of products	3,262.05	3,029.17
	Sale of services	-	-
		3,262.05	3,029.17
В.	Other operating revenues		
	Processing charges	8.57	19.25
	Export benefits and incentives	0.05	0.04
	Package Scheme of Incentive	76.60	26.92
	Production Linked Incentive	11.61	13.72
	Sale of Scrap	1.32	0.73
	Milk subsidy	7.20	-
		105.35	60.66
То	tal	3,367.40	3,089.83

For the year ended 31st March, 2025

₹in crores

Particulars	For the year ended	For the year ended
(i) Timing of revenue recognition	31st March, 2025	31 <sup>st</sup> March, 2024
Goods transferred at a point in time	3.263.37	3,029.90
Goods transferred over the time	-	
Total revenue from contract with customers	3,263.37	3,029.90
Add: Processing charges	8.57	19.25
Export benefits and incentives	0.05	0.04
Package Scheme of Incentives	76.60	26.92
Production Linked Incentives	11.61	13.72
Milk subsidy	7.20	-
Total revenue from operations	3,367.40	3,089.83
(ii) Disaggeration of revenue based on product	,	,
Milk	342.12	312.71
Milk products	2,807.01	2,614.46
Other Consumer products	112.92	102.00
Total revenue from contract with customers	3,262.05	3,029.17
(iii) Revenue by location of customers		,
India	3,175.89	2,993.15
Outside India	87.48	36.75
Total revenue from contract with customers	3,263.37	3,029.90
Add: Processing charges	8.57	19.25
Export benefits and incentives	0.05	0.04
Package Scheme of Incentive	76.60	26.92
Production Linked Incentive	11.61	13.72
Milk subsidy	7.20	-
Total revenue from operations	3,367.40	3,089.83
Reconciliation of revenue recognised in statement of profit and loss with contracted price		
Revenue as per contracted price	3,469.19	3,191.47
Less: Discount/ Rebates	(205.82)	(161.57)
Total revenue from contract with customers	3,263.37	3,029.90
Add: Processing charges	8.57	19.25
Export benefits and incentives	0.05	0.04
Package Scheme of Incentive	76.60	26.92
Production Linked Incentive	11.61	13.72
Milk subsidy	7.20	-
Total revenue from operations	3,367.40	3,089.83

### Notes:

- (a) In accordance with Indian Accounting Standard (Ind AS) 20, Accounting for Government Grants and Disclosure of Government Assistance, the Company has accounted for Industrial Promotion Subsidy under Package Scheme of Incentives, 2013 amounting to ₹76.60 crore (31st March, 2024: ₹26.92 crore), Production Link Incentives Scheme, 2021 amounting to ₹11.61 crore (31st March, 2024: ₹ 13.72 crore) as Other Operating Income in Statement of profit and loss.
- (b) The Company has also accounted for Milk subsidy amounting to ₹7.2 crore (31st March, 2024: ₹ Nil) as Other operating income in statement of profit and loss, based on government circular dated 02<sup>nd</sup> August, 2024.
- (c) Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers. As at year end there are no unsatisfied performance obligation.

For the year ended 31st March, 2025

- (d) i) The Company does not have any contract asset as at 31st March, 2025: (31st March, 2024: Nil)
  - ii) The Company does not have any contract liability as at 31st March, 2025: (31st March, 2024: Nil)
  - iii) The Company does not receive 10% or more of its revenue from transaction with any single external customer.
- (e) Cost to obtain the contract
  - i) Amortisation in Statement of Profit and Loss 31st March, 2025: Nil (Previous Year: Nil)
  - ii) Recognised as contract assets at 31st March, 2025: Nil (Previous Year: Nil)

Note 27: Other income ₹in crores

Pa	rticulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
a)	On financial assets measured at amortised costs		
	Interest on bank deposits	2.01	3.65
	Interest on loan to subsidiary	0.33	-
	Other interest income	0.87	0.51
b)	Other non-operating income		
	Gain on termination of lease	0.26	-
	Provision written back (net)	9.85	1.47
	Reversal of provision on Expected credit loss (net)	12.63	-
	Net gains on sale or fair value of investments	-	0.76
	Miscellaneous income	0.65	2.16
Tot	tal	26.60	8.55

## Note 28: Cost of materials consumed

₹ in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Raw materials consumed		
Inventory at the beginning of the year	4.19	10.57
Add: Purchases during the year	2,369.39	2,237.04
	2,373.58	2,247.61
Less: Inventory at the close of the year	(12.48)	(4.19)
Cost of Raw materials consumed	2,361.10	2,243.42
Packing materials, stores spares and consumables		
Inventory at the beginning of the year	38.75	47.54
Add: Purchases during the year	132.58	169.15
	171.33	216.69
Less: Inventory at the close of the year	(52.02)	(38.75)
Cost of Packing materials, stores spares and consumables	119.31	177.94
Total	2,480.41	2,421.36

For the year ended 31st March, 2025

## Note 29: Changes in inventories of finished goods and work-in-progress

₹in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Inventory at the beginning of the year		
Finished goods	206.43	329.17
Work-in-progress	348.89	170.99
	555.32	500.15
Less: Inventory at the close of the year		
Finished goods	215.10	206.43
Work-in-progress	283.74	348.89
	498.84	555.32
Changes in inventories:		
Finished goods	(8.67)	122.74
Work-in-progress	65.16	(177.91)
Net increase/ (decrease)	56.48	(55.17)

## Note 30: Employee benefits expense

₹in crores

Particulars		For the year ended 31st March, 2024	
Salaries and wages*	114.53	92.42	
Contributions to provident and other funds (Refer note 40)	3.61	4.05	
Gratuity (Refer note 40)	1.20	1.04	
Share based payment expenses (Refer note 45)	0.34	-	
Staff welfare expenses	7.83	6.92	
Director Remuneration	5.62	5.68	
Total	133.13	110.11	

<sup>\*</sup>Includes salary paid to relative of KMP (Refer note 42) and including compensated absences

## Note 31: Finance costs

₹ in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Interest Expenses on		
Borrowings	49.21	51.40
Lease liability (Refer note 39)	4.12	1.53
Others	31.74	18.64
Total	85.07	71.57

For the year ended 31st March, 2025

## Note 32: Depreciation and amortisation expense

₹in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024	
Depreciation of Property, plant and equipments (Refer note 4)	47.74	48.41	
Amortisation of Intangible assets (Refer note 5)	0.48	0.18	
Depreciation of Right-of-Use assets (Leased assets) (Refer note 5A)	11.46	7.12	
Total	59.68	55.72	

## Note 33: Other expenses

₹ in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024	
Freight, forwarding and handling charges	110.79	92.98	
Consumption of stores, spare and consumables	19.40	17.85	
Power and fuel	52.34	46.60	
Rent and storage charges	11.22	15.67	
Rates and taxes	11.69	10.27	
Repairs and maintenance	16.92	12.30	
Processing and other manufacturing charges	39.94	33.33	
Exchange fluctuation (net)	2.05	2.35	
Travelling, conveyance and vehicle expenses	9.37	8.55	
Legal and professional fees	15.30	15.72	
Commission to Directors' and sitting fees	3.95	3.67	
Advertisement and sales promotion	133.11	124.29	
Provision for doubtful debts (net)	0.97	14.30	
Bad debts	35.01	-	
Reversal of impairment allowance on Trade receivable	(35.01)	-	
Auditors remuneration (Refer note 33.1)	0.45	0.50	
Miscellaneous expenses (Refer note 33.2)	16.87	13.56	
Total	444.39	411.95	

## 33.1 Details of payments to auditors (excluding goods and service tax)

₹ in crores

Particulars		For the year ended 31st March, 2024
(a) Audit fees	0.39	0.36
(d) For others services	0.02	0.10
(e) For expenses re-imbursed	0.04	0.04
Total	0.45	0.50

**33.2:** Miscellaneous expense includes printing and stationery, communication, insurance and other expenses.

**33.3:** There are no transactions which are not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

For the year ended 31st March, 2025

## Note 34: Disclosure pursuant to Indian Accounting Standard (Ind AS) 12, Income Taxes

(a) The major components of recognised deferred tax assets/ (liabilities) arising on account of timing differences are as follows:

For the year ended 31st March, 2025

₹ in crores

Particulars	Net balance 1st April, 2024	Recognised in Statement of profit or loss	Recognised in Other Comprehensive income	Net balance 31st March, 2025
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	14.37	(2.88)	-	11.49
Right-of-use asset	3.98	2.12	-	6.10
Sub-Total	18.35	(0.76)	-	17.59
Deferred tax assets				
Expected credit loss on financial assets	20.95	(14.45)	-	6.50
Expenses allowed on payment basis	1.03	0.49	0.62	2.14
Lease Liabilities	4.15	1.90	-	6.05
Sub-Total	26.13	(12.06)	0.62	14.69
Net Deferred tax assets/(liabilities)	7.78	(11.30)	0.62	(2.90)

### For the year ended 31st March, 2024

₹in crores

Particulars	Net balance	Recognised in	Recognised	Net balance
	1 <sup>st</sup> April , 2023	Statement of profit or loss	in Other Comprehensive income	31 <sup>st</sup> March, 2024
Deferred tax liabilities				
Property, plant and equipments and Intangible assets	20.90	(6.53)	-	14.37
Right-of-use asset	-	3.98	-	3.98
Sub-Total	20.90	(2.55)	-	18.35
Deferred tax assets				
Expected credit loss on financial assets	17.06	3.89	-	20.95
Expenses allowed on payment basis	2.39	(1.51)	0.15	1.03
Lease liabilities	-	4.15	-	4.15
Sub-Total	19.45	6.53	0.15	26.13
Net Deferred tax assets/(liabilities)	(1.45)	9.09	0.15	7.78

## Note:

The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

For the year ended 31st March, 2025

# (b) The major components of income tax expense for the for the year ended 31st March, 2025 and 31st March, 2024 are:

	Cr	

Par	rticulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
i)	Income tax expense in the statement of profit and loss comprises:		
-	Current tax charge	-	-
	Total current income tax	-	-
-	Deferred tax charge / (credit)		
	Relating to origination and reversal of temporary differences	11.30	(9.09)
	Income tax expense reported in the statement of profit or loss	11.30	(9.09)
ii)	Other Comprehensive Income:		
	Current income tax related to items recognised in OCI during the year:		
	Current Income tax on re-measurement loss on defined benefit plans	(0.62)	(0.15)
-	Income tax related to items recognised in OCI during the year:	(0.62)	(0.15)
iii)	Reconciliation of tax expense and the acccounting profit multiplied by India's domestic tax rate:		
-	Accounting Profit before tax	134.84	82.86
	Applicable tax rate	25.168%	25.168%
-	Computed Tax Expense	33.94	20.85
	Expenses not allowed for tax purpose	(29.06)	(2.29)
	Others	6.42	(27.65)
	Income tax charged to Statement of Profit and Loss	11.30	(9.09)
	Effective tax rate	8.38%	-10.97%

## (c) The Company has not created deferred tax asset on the following tax losses:

₹in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Unabsorbed brough forward business loss	85.43	262.59
Unabsorbed depreciation	31.80	31.80
Total	117.23	294.39

For the year ended 31st March, 2025

### Note: 35 Assets pledged as security

₹ in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Current Assets		
Financial assets		
Trade Receivables	249.40	235.28
Cash and cash equivalents	11.64	10.04
Other financials assets	13.16	17.02
	274.20	262.33
Non-financial assets		
Inventories	563.34	598.26
Other current assets	499.47	410.05
Total Current assets pledged as security	1,062.81	1,008.31
Non Current assets		
Non-financial assets		
Land	7.96	18.19
Building	73.02	60.64
Furniture, fittings and equipments	4.46	2.88
Plant and equipments	206.75	204.98
Others	6.33	4.98
Total non-current assets pledged as security	298.51	291.68
Total assets pledged as security	1635.52	1,562.33

## Note 36: Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, Financial Instruments - Disclosures

#### A. Accounting classification and fair values

The under mentioned table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

#### B Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

#### C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Includes financial instruments measured using guoted prices. This includes listed equity instruments, traded bonds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and the mutual funds are valued using closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

For the year ended 31st March, 2025

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

- i) The carrying values of current financial liabilities and current financial assets are taken as their fair value because of their short term nature.
- ii) The carrying values of non-current financial liabilities and non-current financial assets are taken as their fair value based on their discounted cash flows.
- iii) The Company has used quoted market price for determining fair value of investments in equity instruments and mutual funds.
- $iv) \quad There have been no transfers between level 1, level 2 and level 3 for year ended 31^{st} March, 2025 and 31^{st} March, 2024 respectively$

₹ in crores

As at 31st March, 2025		Carrying amount			Fair value Fair value			
	FVTPL	<b>Amortised Cost</b>	Total	Level 1	Level 2	Level 3	Total	
Financial assets								
Investments - Subsidiary	-	104.23	104.23	-	-	-	-	
Investments - Others	-	4.62	4.62	-	-	-	-	
Other financial assets (non-current)	-	60.91	60.91	_	-	-	-	
Trade receivable	-	249.40	249.40	-	-	-	-	
Cash and cash equivalents	-	11.64	11.64	-	-	-	-	
Other bank balances	_	13.16	13.16	_	-	-	-	
Total	-	443.96	443.96	-	-	-	-	
Financial liabilities								
Borrowings - non-current	_	197.04	197.04	_	-	-	-	
Borrowings - current	-	357.71	357.71	-	-	-	-	
Trade payables	-	223.11	223.11	-	-	-	-	
Lease liability	-	24.03	24.03	-	-	-	-	
Other financial liabilities	-	49.68	49.68	-	-	-	-	
Total	-	851.57	851.57	_	_	-	-	

₹ in crores

As at 31st March, 2024	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Investments - Subsidiary	-	104.23	104.23	_	-	-	-
Investments - Others	_	4.62	4.62	-	_	-	-
Other financial assets (non current)	_	28.19	28.19	_	-	-	-
Trade receivable	_	235.28	235.28	_	-	-	-
Cash and cash equivalents	-	10.04	10.04	-	-	-	-
Other bank balances	-	17.02	17.02	_	-	-	-
Total	-	399.38	399.38	-	-	-	-
Financial liabilities							
Borrowings - non-current	-	183.13	183.13	_	-	-	-
Borrowings - current	-	326.39	326.39	-	-	-	-
Trade payables	-	214.36	214.36	_	-	-	-
Lease liability	-	16.49	16.49	-	-	-	-
Other financial liabilities	-	51.98	51.98	-	-	-	-
Total	-	792.35	792.35	-	_	-	-

For the year ended 31st March, 2025

### **Note 37: Financial Risk Management**

### Risk management framework

The Company has in place a mechanism to inform the Board about the risk assessment and the risk minimization procedures in place and periodical review to ensure that management controls risk through means of a properly defined framework. The Company has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company to comply with the rules of the regulator.

The Company's audit committee also oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments in equity shares, loans, trade and other receivables, and cash and cash equivalents that the Company derives directly from its operations. The Company also holds FVOCI/FVTPL investments.

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

This note explains the sources of risk to which the Company is exposed to and how the entity manages the risk.

#### (A) Credit risk

#### **Trade and Other receivables**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The risk arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

The company has adopted a policy of dealing with credit worth counter parties and obtaining collateral where appropriate as a means of mitigating the risk of financial loss from defaults

Concentration of credit risk with respect to Trade receivables are limited, due to the customer base being large, diverse and across sector and countries. All trade receivables are reviewed and assessed for default on quaterly basis.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are General trade, Modern trade, Institutional and Horeca customers. Outstanding customers dues are regularly monitored. The company exposure are continously monitored.

 $Summary\ of\ the\ Company's\ exposure\ to\ credit\ risk\ by\ age\ of\ the\ outstanding\ from\ various\ customers\ is\ as\ follows:$ 

₹in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024		
Outstanding for a period not exceeding six months	238.58	230.45		
Outstanding for a period exceeding six months	26.72	68.35		
Gross trade receivables	265.30	298.80		
Less: Allowance for expected credit loss	(15.89)	(63.52)		
Net trade receivables	249.41	235.28		

On account of adoption of Ind AS 109, *Financial Instruments*, the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Company's historical experience for customers. The Company has used a practical expedient by computing the expected credit loss allowance

For the year ended 31st March, 2025

for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

The movement in the loss allowance in respect of trade receivables is as follows

₹ in crores

Loss allowance on trade receivables	Amount
Balance as at 1st April, 2023	53.92
Provision / (Reversal) of allowance for expected credit loss	9.60
Balance as at 31st March, 2024	63.52
Provision / (Reversal) of allowance for expected credit loss	(12.63)
Trade receivables written-off during the year	(35.01)
Balance as at 31st March, 2025	15.89

### Cash and bank balances:

Credit risk on cash and bank balances is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

### (B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft/ cash credit facility. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities. The Company has access to a sufficient sources of short term funding with existing lenders that could be arrange upon should there be need.

#### (i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

					₹ in crores	
Contractual maturities of financial liabilities as at 31st March, 2025	Carrying value	1 year or less	1-2 years	2-5 years	Total	
Non-derivatives financial liabilities						
Borrowings - non-current (including interest accrued but not due)	206.11	41.19	23.08	141.84	206.11	
Borrowings - current	357.71	357.71	-	_	357.71	
Trade payables	223.11	223.11	-	-	223.11	
Lease liability	24.02	9.44	7.50	14.24	31.18	
Other financial liabilities	40.62	40.62	-	-	40.62	
Total non-derivative liabilities	851.57	672.07	30.58	156.08	858.74	

₹ in crores

Contractual maturities of financial liabilities as at 31st March, 2024	Carrying value	1 year or less	1-2 years	2-5 years	Total
Non-derivatives financial liabilities	value				
Borrowings - non-current (including interest accrued but not due)	190.64	31.87	23.08	135.69	190.64
Borrowings - current	326.39	326.39	-	-	326.39
Trade payables	214.36	214.36	-	-	214.36
Lease liability	16.49	8.08	4.79	7.32	20.19
Other financial liabilities	44.47	44.47	-	-	44.47
Total non-derivative liabilities	792.35	625.17	27.87	143.01	796.05

For the year ended 31st March, 2025

### (C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all current and non current. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

### (i) Foreign currency exchange rate risk

The Company is subject to risk of changes in foreign currency values that impact costs of imported raw material and import of equipment for expansion of plants, primarily with respect to USD and EURO. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations.

The Company has not entered into any derivative transactions during the year and there were no derivative transactions outstanding as on 31st March, 2025

### (a) The Company unhedged exposure to foreign currency risk at the end of the reporting year are as follows

₹in crores

Sr	Particulars	Currency	As at 31st March, 2025		As at 31st March, 2024	
no			INR	Foreign currency	INR	Foreign currency
Α	Financial assets					
	(i) Trade receivables	USD	5.86	0.07	4.84	0.06
В	Financial liabilities					
	(i) FCCB	USD	81.22	10.68	78.60	10.68
	(ii) Trade payables	GBP	(0.02)	(0.00)	-	-
		EURO	(0.06)	(0.01)	(0.01)	(0.00)
		CHF	(0.00)	(0.00)	(0.01)	(0.00)

### (b) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at 31st March, 2025 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ in crores

	Profit / (loss) before	tax gain / (loss)	Equity, gross of tax	
	Strengthening	Weakening	Increased	(Decreased)
31st March, 2025				
Effect in INR				
1% movement				
USD	0.75	(0.75)	0.75	(0.75)
EUR	(0.00)	0.00	(0.00)	0.00
GBP	(0.00)	0.00	(0.00)	0.00
CHF	(0.00)	0.00	(0.00)	0.00
31st March, 2024				
Effect in INR				
1% movement				
USD	0.74	(0.74)	0.74	(0.74)
EUR	(0.00)	0.00	(0.00)	0.00
GBP	(0.00)	0.00	(0.00)	0.00

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#### (ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The company's borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, *Financial Instruments: Disclosures*, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### (a) Interest rate risk exposure

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows:

₹ in crores

₹ in crores

		\ IIICIOIES
Particulars	As at 31st March, 2025	As at 31st March, 2024
Fixed rate instruments - Financial Assets		
Bank deposits	42.85	40.25
Total	42.85	40.25

**Particulars** As at As at 31st March, 2025 31st March, 2024 Variable rate instruments **Financial liabilities** Non-current borrowings 197.04 183.13 Current maturities of non-current borrowings 32.13 24.37 Current borrowings 325.58 302.02 **Total** 554.75 509.52

### (b) Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

		₹ In crores	
Particulars Impact on profit /(loss) - increase / (decrease) in profit			
	31st March, 2025	31st March, 2024	
Interest rates – increase by 100 basis points *	(5.55)	(5.10)	
Interest rates – decrease by 100 basis points *	5.55	5.10	

(\* Holding all other variables constant)

For the year ended 31st March, 2025

### **Note 38: Capital Management**

### (a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic plans and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

### (b) Dividend

The Board of Directors of the Company has recommended dividend of ₹1 (One Rupee) per equity shares of the face value of ₹ 10 each for the financial year ended 31st March, 2025 which is subject to the approval of the shareholders in the ensuring Annual General Meeting.

### (c) Net Debt Reconciliation

The Company's adjusted net debt to equity ratio are as follows.

₹ in crores

Particulars	Asat	As at
	31st March, 2025	31st March, 2024
Borrowings		
Long-term and Short-term borrowings	522.62	485.16
Current maturities of Long-term borrowings	32.13	24.37
Less: Cash and cash equivalents	(54.50)	(43.19)
Adjusted net debt	500.25	466.33
Total Equity	1,039.80	923.71
Adjusted net debt to equity ratio	0.48	0.50

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

### Note 39:- Disclosure pursuant to Indian Accounting Standard (Ind AS) 116, Leases

The company has entered into commercial leases for taking building (office spaces), land and Plant & Equipment on lease. There are no restrictions placed upon the Company by entering into these leases. Some of the lease arrangements also include a non-cancellable period, purchase option and escalation clauses. The Company has not given any sub lease during the year.

#### ₹in crores A. Right-of-Use assets

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Opening balance	38.61	28.48
Additions during the year	21.44	10.13
Disposal / derecognized during the year	(18.12)	-
Gross Carrying Value (I)	41.93	38.61

For the year ended 31st March, 2025

₹iı	ncrores	
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Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Opening balance	22.82	15.70
Additions during the year	11.46	7.12
Disposal / derecognized during the year	(16.59)	-
Closing Accumulated depreciation (II)	17.69	22.82

₹in crores

Particulars	Asat	As at
	31st March, 2025	31st March, 2024
Net Carrying Value (I-II)	24.24	15.80

### B. Lease Liabilities

₹ in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31st March, 2024
Opening balance	16.49	14.37
Additions/ (Deletions)	16.62	8.87
Accredition of interest	4.12	1.53
Payments	13.20	8.31
Closing balance	24.03	16.49

₹ in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Current	7.01	6.53
Non - current	17.02	9.96
Total	24.03	16.49

As at balance sheet date, the company is not exposed to future cashflows for extention / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The effective interest rate for lease liabilities is 10 % p.a to 12 % p.a.

### C. Maturity Analysis of lease liability:

₹in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
less than one years	7.01	6.53
one to two years	5.81	3.83
more than two year upto five years	10.63	6.04
more than five years	0.58	0.09
Total	24.03	16.49

For the year ended 31st March, 2025

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

### D. Amounts to be recognised in Statement of profit and loss for the year ended 31st March, 2025

₹ in crores

Particulars	31 <sup>st</sup> March, 2025	31 <sup>st</sup> March, 2024
Depreciation expense of Right-of-Use assets	11.46	7.12
Interest expense on lease liabilities	4.12	1.53
Total	15.58	8.65

Total cash out flow for leases including interest amounting to ₹ 13.2 crores during the year (previous year: ₹ 8.31 crores).

₹ in crores E. Lease rent

Particulars	31st March, 2025	31st March, 2024
Lease payments recognised for short term leases and low value lease in Statement of Profit and Loss during the year	11.22	15.67
Total	11.22	15.67

These leases are short-term and of low value in nature. The Company has applied the recognition exemptions provided under Ind AS 116 and has elected not to recognise right-of-use assets and lease liabilities for such leases.

### Note 40: Disclosure pursuant to Indian Accounting Standard (Ind AS) 19, Employee Benefits

### A. Defined contribution plan

The Company has recognised an amount of ₹ 3.61 crores (31st March, 2024: ₹ 4.05 crores) as expenses under the defined contribution plans in the Statement of profit and loss as below:

₹ in crores

Benefit/Contribution	31st March, 2025	31st March, 2024
Provident Fund	2.98	3.53
National Pension Scheme	0.25	0.12
Employees State Insurance	0.37	0.40
Total	3.61	4.05

### B. Defined benefit plan- Gratuity

The Company operates a defined benefit gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The plan entitles an employee who has completed at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the last drawn wage by the employee concerned, subject to the maximum limit specified under the Payment of Gratuity Act, 1972 as amended from time to time. The gratuity amount is payable on termination of the emoployee or retirement whichever event is earlier, the benefit vest after five years of continuous service.

The defined benefit gratuity plan is administered by a Trust that is legally separate from the Company. The gratuity plan is a funded plan, managed by Life Insurance Company ("LIC") and the Company's makes annual contributions to Group Gratuity cum Life Assurance Scheme managed by LIC.

The most recent actuarial valuation of the defined benefit obligation was carried out as at 31st March, 2025. The present value of the defined benefit obligations and the related current service cost and past service costs were measured using Projected Unit Credit Method.

For the year ended 31st March, 2025

These plans typically expose the Company to actuarial risks such as: inherent investment risk, interest rate risk, longevity risk, acturial risk and regulatory risk.

Investment Risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Interest Rate Risk	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Longevity Risk	The impact of longevity risk will depend on whether the benefits are paid before retirement age or after . Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.
Actuarial Risk	Salary Increase Assumption - Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.
	Attrition/Withdrawal Assumption- If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions
Regulatory Risk	Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticapated. Sometimes, the increase is many fold which will impact the financials quite significantly.

Based on the actuarial valuation obtained in respect of gratuity, the table below sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at the balance sheet date.

₹ in crores

De	fined benefit plans	31st March, 2025	31st March, 2024
ı	Expenses recognised in statement of profit and loss during the year:		
	Current service cost	1.08	0.86
	Past service cost	-	-
	Interest (income) on plan assets	(0.41)	(0.28)
	Interest cost on defined benefit obligation	0.53	0.46
	Total Expenses	1.20	1.04
II	Expenses recognised in OCI		
	Actuarial (gain) / loss due to demographic assumption changes in DBO	0.00	-
	Actuarial (gain) / loss due to financial assumption changes in DBO	0.19	0.08
	Actuarial (gain)/ loss due to experience on DBO	2.29	0.46
	Return on Plan Assets (greater) / less than Disount rate	(0.03)	0.04
	Total Expenses	2.45	0.58
Ш	Net defined asset /(liability) recognised as at balance sheet date:		
	Present value of defined benefit obligation	(12.15)	(8.37)
	Fair value of plan assets	7.89	5.80
	Net defined benefit asset / (liability)	(4.26)	(2.58)
IV	Movements in present value of defined benefit obligation		
	Present value of defined benefit obligation at the beginning of the year	8.41	7.10
	Current service cost	1.08	0.86

For the year ended 31st March, 2025

₹in crores

Def	ined benefit plans	31st March, 2025	31st March, 2024
	Interest cost	0.53	0.46
••••••••	Actuarial (gain) / loss	2.48	0.50
	Benefits paid	(0.35)	(0.55)
••••••	Present value of defined benefit obligation at the end of the year	12.15	8.37
V	Movements in fair value of the plan assets		
	Opening fair value of plan assets	5.80	3.75
	Expected returns on plan assets	0.41	0.28
	Actuarial gain/ (loss) on Plan assets	0.03	(0.04)
	Contribution from employer	2.00	2.36
	Benefits paid	(0.35)	(0.55
	Closing fair value of the plan asset	7.89	5.79
۷I	Maturity profile of defined benefit obligation		
	Within the next 12 months (next annual reporting period)	3.03	2.10
	Between 1 to 5 years	6.24	4.19
	Between 6 to 10 years	4.32	3.16
	Over 10 years	3.43	2.85
VII	Quantitative sensitivity analysis for significant assumptions is as below:		
1	Increase/(decrease) on present value of defined benefit obligation at the end of the year		
	(i) +100 basis points increase in discount rate	(11.67)	(8.79
	(i) -100 basis points decrease in discount rate	12.68	8.06
	(iii) +100 basis points increase in rate of salary increase	11.67	8.79
	(iv) -100 basis points decrease in rate of salary increase	(12.66)	(8.06
2	Sensitivity analysis method		
	Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.		
	The Mortality and Attrition does not have a significant impact on the Liability, hence are not considered a significant actuarial assumption for the purpose of Sensitivity analysis.		
	The assumptions used in preparing the sensitivity analysis is Discount rate at +1% and –1% Salary assumption at +1 % and -1% .		
	The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.		
	There is no change in the method from the previous period and the points / percentage by which the assumptions are stressed are same to that in the previous year.		
/III	Actuarial Assumptions:		
	Discount rate	6.81%	7.19%
	Expected rate of salary increase	6.00% p.a	6.00% p.a
	Withdrawal rate	15.00%	14.00%
	Retirement Age	58 years	58 years
	Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

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₹in crores

Def	31st March, 2024		
IX	The weighted-average asset allocations at the year end were as follows:		
************	Equities	0.00%	0.00%
	Bonds	0.00%	0.00%
	Gilts	0.00%	0.00%
	Pooled assets with an insurance company	100.00%	100.00%
	Other	0.00%	0.00%
	Total	100.00%	100.00%

- a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.
- b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- c) The gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.
- d) The Company expects to make a contribution of ₹ 3.03 crores to the defined benefit plans (gratuity funded) during the next financial year.
- e) The average expected future working life at the end of the reporting period is 5.96 years.

### Note 41: Contingent liabilities and Commitments

₹ in crores

Sr no	Particulars	31st March, 2025	31st March, 2024
(A)	Contingent liabilities		
a)	Sales tax matter under litigation in respect of Company for pending forms and lower allowance on account of Central Quantum Benefit, against which appeal has been filed.	3.24	3.97
b)	Goods and Service Tax matter under litigation	5.60	4.13
c)	Income tax matter under litigation	54.22	45.60
(B)	Commitments		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	3.69	1.42
b)	Contractual commitment for Leases not yet commenced (including short term and low value leases)	-	-

### Notes:

- i. The Company is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.
- ii. The amounts shown above represent the best possible estimates of pending litigations/disputes arrived at on the basis of available information. The above do not include potential risks/demands, if any, for ongoing issues where no claims have been made against the Company.
- iii. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

For the year ended 31st March, 2025

### Note 42: Disclosure pursuant to Indian Accounting Standard (Ind AS) 24, Related Party Disclosures

### (i) Names of related parties and nature of relationship:

)e	scription of relationship	Name of the related party
٨.	Enterprise where company exercise control	
	Subsidiary company	Bhagyalaxmi Dairy Farms Private Limited
	Subsidiary company	Parag Foods Middle East FZE (w.e.f. 7 <sup>th</sup> January, 2025)
3.	Other related parties	
	Key Management Personnel (KMP)	Mr. Devendra Shah - Chairman
		Mr. Pritam Shah – Managing Director & Interim CFO (w.e.f. from 28th April,2023)
		Ms. Akshali Shah - Executive Director
		Mr. Surendra Malaviya - Interim CFO (till 28 <sup>th</sup> April,2023)
		Mr. Virendra Varma - Company Secretary & Compliance Officer
	Directors	Mr. Nitin R. Dhavalikar - Independent Director
		Ms. Radhika Dudhat - Independent Director
		Mr. Narendra Ambwani - Independent Director
		Mr.Dnyanesh Vishnu Darshane - Independent Director
		Mr. Nikhil Vora - Non Executive Director
	Relative of Key Management Personnel	Mr. Poojan Shah - Son of Mr. Devendra Shah (Chairman)
		Mrs. Priti Shah - Spouse of Mr. Devendra Shah (Chairman)
		Mrs. Netra Shah - Spouse of Mr. Pritam Shah (Managing Director & Interim CFO
		Mr. Stavan Shah - Son of Mr. Pritam Shah (Managing Director & Interim CFO)
	Entity in which KMP can exercise significant influence	Bharat Trading Company
		SBM Advisors LLP
		Bhagyalaxmi Dairy Farms Private Limited
		Parag Foods Middle East FZE (w.e.f. 7th January, 2025)
		Awasari Infracon Private Limited (w.e.f. 25th February, 2025)
		SHAJ Livewell Nutrient LLP (w.e.f. 13th March, 2025)

### (ii) Details of transactions between the Company and related parties for the year ended 31st March, 2025:

# (a) Transaction during the year

Transaction during the year		₹incrores	
Particulars	31st March, 2025	31st March, 2024	
Purchase of Goods			
Bhagyalaxmi Dairy Farms Private Limited	62.47	47.05	
Sale of Goods			
Bhagyalaxmi Dairy Farms Private Limited	6.15	1.87	
Remuneration to Key Management Personnel and their relatives *			
Devendra Shah	2.40	2.40	
Pritam Shah	2.40	2.40	
Akshali Shah	0.86	0.88	
Poojan Shah	0.20	0.21	
Stavan Shah	0.20	0.21	
Virendra Varma (CS)	0.25	0.23	

For the year ended 31st March, 2025

(a)	(a) Transaction during the year		₹in crores

Particulars	31st March, 2025	31st March, 2024
Rent Payment		
Bhagyalaxmi Dairy Farms Private Limited	0.44	0.48
Devendra Shah	0.75	0.74
Pritam Shah	0.43	0.42
Priti Shah	0.02	0.02
Netra Shah	0.02	0.02
Rent Receipt		
Bhagyalaxmi Dairy Farms Private Limited	0.38	-
Reimbursment of expenses KMP		
Devendra Shah	0.18	0.09
Pritam Shah	0.26	0.26
Akshali Shah	0.23	0.23
Commission to Directors		
Devendra Shah	1.12	0.95
Pritam Shah	1.12	0.95
Akshali Shah	1.12	0.95
Nitin R. Dhavalikar	0.29	0.21
Radhika Dudhat	0.30	0.22
Narendra Ambwani	0.27	0.20
Dnyanesh Vishnu Darshane	0.27	0.20
Director sitting fees		
Nitin R. Dhavalikar	0.12	0.13
Radhika Dudhat	0.09	0.10
Narendra Ambwani	0.11	O.11
Dnyanesh Vishnu Darshane	O.11	O.11
Advances granted		
Bhagyalaxmi Dairy Farms Private Limited	46.63	19.16
Share warrants issued/Equity Shares issued		
Akshali Shah	-	2.00
Loans granted		
Bhagyalaxmi Dairy Farms Private Limited	20.00	-
Investment in Subsidiary-(Subscription to equity shares)		
Bhagyalaxmi Dairy Farms Private Limited	-	41.96
Interest Income received during the year		
Bhagyalaxmi Dairy Farms Private Limited	0.33	-

<sup>(\*</sup> The remuneration to the key managerial personnel and their relatives (if any) comprises of only short term benefits and does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Further, the remuneration to key managerial personnel does not include employee stock compensation expense.)

For the year ended 31st March, 2025

### (B) Details of balances outstanding as at 31st March, 2025:

₹ in crores

Particulars	31st March, 2025	31st March, 2024
Amount Payable to		
Devendra Shah	0.35	0.97
Pritam Shah	0.53	1.77
Akshali shah	0.31	-
Nitin R. Dhavalikar	0.12	0.08
Radhika Dudhat	0.13	0.10
Narendra Ambwani	0.11	0.09
Dnyanesh Vishnu Darshane	0.11	0.09
Poojan Shah	-	0.02
Netra Shah	-	0.06
Priti Shah	-	0.06
Stavan Shah	-	0.02
Virendra Varma (CS)	0.02	0.02
Interest accrued on advances		
Bhagyalaxmi Dairy Farms Private Limited	0.33	-
Loans receivable		
Bhagyalaxmi Dairy Farms Private Limited	20.00	-
Advances receivable		
Bhagyalaxmi Dairy Farms Private Limited	46.63	19.15
Investments		
Bhagyalaxmi Dairy Farms Private Limited	104.23	104.23
*Personal guarantee issued by Devendra Shah and Pritam Shah	496.96	395.29

### Note 43: Disclosure pursuant to Indian Accounting Standard (Ind AS) 33, Earnings Per Share

Particulars	31st March, 2025	31st March, 2024
Basic earnings per share		
Net profit after tax (₹ in crores) (A)	123.54	91.95
Weighted average number of equity shares oustanding during the year (Nos) (B)	11,91,99,977	11,74,56,657
Basic EPS (Amount in ₹) (A/B)	10.36	7.83
Diluted earnings per share		
Net profit after tax (₹ in crores)	123.54	91.95
Amount of interest debited to statement of profit and loss for convertible bonds (net of tax) (₹ in crores)	-	1.19
Net profit after tax adjusted for the effect of dilution (₹ in crores) ( C )	123.54	93.14
Weighted average number of equity shares oustanding during the year (Nos)	11,91,99,977	11,74,56,657
Weighted average number of potential equity shares on account of FCCBs (Nos)	57,23,678	53,28,942
Weighted average number of Equity shares adjusted for the effect of dilution (Nos) (D)	12,49,23,655	12,27,85,598
Diluted EPS (Amount in ₹) (C/D)	9.89	7.58
Face Value per share	10.00	10.00

Basic: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares held as treasury shares.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

For the year ended 31st March, 2025

### Note 44: Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, Operating Segments

In accordance with IND AS 108 "Operating Segments", segment information has been given in the consolidated financial statements of the Company, and therefore, no separate disclosures on segment information is given in these financial statements.

Geographical information in relation to revenue and non-current assets are as below:

 Particulars
 31st March, 2025
 31st March, 2024

 Within India
 3,175.89
 2,993.15

 Outside India
 87.48
 36.75

 Total
 3,263.37
 3,029.90

- (b) Non-current operating assets:
  - All non -current assets other than financial instruments, deferred tax assets of the company are located in India.
- (c) The Company does not have revenues from transactions with a single external customer exceeding to 10 per cent or more of the total revenues.

### Note 45: Disclosure pursuant to Indian Accounting Standard (Ind AS) 102, Share-Based Payments

The Board of Directors constituted the equity settled Employee Stock Option Plan ("ESOP 2022") vide its resolutions dated 13<sup>th</sup> August, 2022 for issue of 5,00,000 stock options to the key employees of the Company, which has been approved in the Company's Annual General meeting dated 30<sup>th</sup> September, 2022 further ESOP 2022 was amendend in the Annual General meeting dated 27<sup>th</sup> September 2023 by increasing the pool size from erstwhile 5,00,000 Stock Options to 25,00,000 Stock Options. Additionally as per ESOS 2015 approved by member's resolution dated 03<sup>rd</sup> April, 2015 which was further amended vide special resolution dated 16<sup>th</sup> May, 2015 and which was ratified post IPO by the shareholders in the 26<sup>th</sup> AGM held on 19<sup>th</sup> September, 2018 the balance 1,76,015 shares avaliable under ESOS 2015 got transfered to ESOP 2022 vide amended to ESOS 2015

The number of shares allocated for allotment under ESOP 2022 is 25,00,000 equity shares of ₹10 each (including 1,76,015 shares held by ESOP trust vide amendment to ESOS 2015. The scheme are monitored and supervised by Nomination and Remuneration Committee of the Board of Director in compliance with provision of Securities and Exchange Board of India (Shares Based Employee Benefits & Sweat Equity) Regulation, 2021 and any circulars/notifications/guidance/frequently asked question issued thereunder as amended from time to time.

The Employee Stock Option Plan includes employees of Parag Milk Foods Limited and its subsidiaries.

According to ESOP 2022, the employee selected will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions in the scheme. The fair valuation of the option have been computed as per the black scholes pricing model.

Particulars	Vest-1	Vest-2	Vest-3
Date of grant	7 <sup>th</sup> February, 2024		
Vesting Period	1 years	2 Years	3 Years
Vesting %	10.00%	46.00%	44.00%
Exercise Period from the Vesting	7 Years	6 Years	5 Years
Expected Life	4.5 Years	5 Years	5.5 Years
Exercise Price	₹10	₹10	₹10
Fair value using Black Scholes model on grant date	₹197.35	₹197.27	₹197.18
Weighted Average Fair Value of option as on the grant date		₹197.24	

For the year ended 31st March, 2025

Particulars	7 <sup>th</sup> February, 2024
Dividend yield (%)	0.33
Historical volatility	47.87% - 50.76%
Risk-free interest rate (%)	6.98 % - 7.00%
Weighted average share price	₹207.70
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 yrs - 5.5 years
Life of option remaining in years	1.23 years

Particulars	Vest-1	Vest-2		
Date of grant	23 <sup>rd</sup> July, 2024			
Vesting Period	2 years	3 Years		
Vesting %	40.00%	60.00%		
Exercise Period from the Vesting	5 Years	5 Years		
Expected Life	4.5 Years	5.5 Years		
Exercise Price	₹10	₹10		
Fair value using Black Scholes model on grant date	₹194.07	₹193.90		
Weighted Average Fair Value of option as on the grant date	₹193.97			

Particulars	23 <sup>rd</sup> July, 2024
Dividend yield (%)	0.33
Historical volatility	48.77% - 49.89%
Risk-free interest rate (%)	6.82 % - 6.83 %
Weighted average share price	₹204.41
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 years - 5.5 years
Life of option remaining in years	1.91 years

Particulars (Schedule-1)	Vest-1	Vest-2	Vest-3	Vest-4	Vest-5
Date of grant		11 <sup>th</sup> November, 24			
Vesting Period	2 years	3 Years	4 Years	5 Years	6 Years
Vesting %	10.00%	15.00%	20.00%	25.00%	30.00%
Exercise Period from the Vesting	5 Years	5 Years	5 Years	5 Years	5 Years
Expected Life	4.5 Years	5.5 Years	6.5 Years	7.5 Years	8.5 Years
Exercise Price	₹10	₹10	₹10	₹10	₹10
Fair value using Black Scholes model on grant date	₹ 202.99	₹202.86	₹202.70	₹202.50	₹202.29
Weighted Average Fair Value of option as on the grant date			₹202.58		

Particulars (Schedule-1)	11 <sup>th</sup> November, 24
Dividend yield (%)	0.30
Historical volatility	45.38 % - 49.29 %
Risk-free interest rate (%)	6.66 % - 6.74 %
Weighted average share price	₹213.25
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 years - 8.5 years
Life of option remaining in years	3.07 years

For the year ended 31st March, 2025

Particulars (Schedule-2)	Vest-1	Vest-2	
Date of grant	11 <sup>th</sup> November, 24		
Vesting Period	1 years	2 Years	
Vesting %	50.00%	50.00%	
Exercise Period from the Vesting	5 Years	5 Years	
Expected Life	3.5 Years	4.5 Years	
Exercise Price	₹10	₹10	
Fair value using Black Scholes model on grant date	₹203.10	₹202.99	
Weighted Average Fair Value of option as on the grant date	₹203.04		

Particulars (Schedule-2)	11 <sup>th</sup> November, 24
Dividend yield (%)	0.30
Historical volatility	44.64 % - 45.57 %
Risk-free interest rate (%)	6.63 % - 6.66 %
Weighted average share price	₹213.25
Exercise price (Rs)	10.00
Expected life of options granted in years	3.5 years - 4.5 years
Life of option remaining in years	3.07 years

The details of activity under ESOP 2022 are summarized below:

Particulars	31st March, 2	2025	31st March, 2024	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	4,45,000	10.00	-	-
Forfeited/lapsed during the year	10,000	10.00	-	-
Exercised during the year	5,000	10.00	-	-
Exercisable/ Vested during the year	-	-	-	-
Outstanding at the end of the year	4,40,000	10.00	-	-

### Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

₹in crores

Particulars	31st March, 2025	31st March, 2024
Employee option plans	0.34	-

### Note 46: Disclosure pursuant to Indian Accounting Standard (Ind AS) 27, Separate Financial Statements

Investments in the subsidiary company is accounted at cost:

Name of the subsidiary company	Principal place of business	Proportion of direct ownership as on 31st March, 2025	Proportion of direct ownership as on 31st March, 2024
Bhagyalaxmi Dairy Farms Private Limited	India	100%	100%

For the year ended 31st March, 2025

### Note 47: Additional Regulatory Information (to the extent applicable and reportable)

### (a) Borrowings secured against current assets

The Company has borrowings from banks on the basis of security of current assets, and the monthly statements filed by the Company with banks for financial year 2024-25 and 2023-24 are in agreement with the books of account.

### (b) Details of capital work-in-progress (Refer Note 4A)

### (c) Analytical ratios

Particulars	Numerator	Denominator	FY 2024-25	FY 2023-24	Percentage Variance from previous year
Current Ratio (in times)	Current assets	Current liabilities	2.07	2.01	3%
Debt - Equity Ratio (in times)	Total Debt	Total shareholders' equity	0.57	0.58	-2%
Debt Service coverage ratio (in times)	Earnings for Debts Service	Finance Costs (excluding cost pertaining to lease liabilities)+ Repayment of Principal + Lease Repayment	0.68	0.58	18%
Return on equity (in %)	Profit after tax	Average shareholder's equity	12.6%	10.56%	19%
Inventory Turnover Ratio (in times)	Revenue from operations	Average inventory	5.80	5.34	9%
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	13.90	15.64	-11%
Trade payables turnover ratio (in times)	Purchases	Average trade payables	11.44	13.98	-18%
Net capital turnover ratio (in times)	Revenue from operations	Working capital (Current Assets - Current Liabilities)	4.74	4.76	0%
Net profit ratio (in %)	Profit after tax	Revenue from Operations	3.67%	2.98%	23%
Return on capital employed (in %) I	Profit before interest and tax	Average Capital employed	13.49%	10.60%	27%
Return on investment (in %) II	Earning before interest, tax and exceptional items	Average total assets	0.00%	9.06%	-100%

### Explanation for variance exceeding 25%:

- Return on capital employed has increased due to increase in operating profit
- $\parallel$ Return on investment has changed due to redemption of mutual fund.

### **Note 48:**

- a) No provision for current tax is required to be made for the year ended 31st March, 2025, in view of certain allowances and deductions available under the Income Tax Act, 1961.
- B) The Income Tax Department conducted a search under Section 132 of the Income Tax Act, 1961, on the Company and its associated persons in the month of November 2021. The Company had only received a Panchanama dated 27th November, 2021. Subsequently, in the Assessment Order for A.Y 2021-22 dated 31st December 2022, a reference has been made to the search and seizure and appeal has been preferred against this order.

### **Note 49:**

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the yearend, the Company has reviewed all such contracts and confirmed that no provision is required to be created under any law / accounting standard towards any foreseeable loss.

For the year ended 31st March, 2025

### Note 50: Audit Trail

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to the accounting software. Further, no instance of audit trail feature being tampered with was noted in respect of the software where audit trail has been enabled & the audit trail has been preserved by the Company as per the statutory requirements for record retention.

### Note 51: Environmental, Social and Governance (ESG)

As a socially and environmentally responsible business, committed to the highest standards of corporate governance, the Company is focused on growing sustainably to build long-term stakeholder value by embracing sustainable development. The Company aims to deliver value to its employees, customers and stake holders.

### Note 52: Events after the reporting period

The Board of Directors in their meeting on 2<sup>nd</sup> May, 2025 recommended a final dividend of ₹1 (One) per equity share for the financial year ended March 31 2025. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately ₹11.92 crore. It is not recognised as a liability as at 31<sup>st</sup> March, 2025.

### **Note 53:**

Figures of the previous year have been regrouped wherever necessary. The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000.

### **Note 54:**

Note No. 1 to 54 form integral part of the Standalone Balance Sheet and Standalone Statement of Profit and Loss.

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Signatures to Notes 1 to 54

For and on behalf of the Board of Directors of Parag Milk Foods Limited

**Edwin Paul Augustine** 

Partner Membership No. 043385 **Devendra Shah** Chairman

DIN: 01127319

**Pritam Shah** 

Managing Director & Interim Chief Financial Officer

DIN: 01127247

Virendra Varma

Company Secretary & Compliance

Officer

Membership No. F10520

Place: Mumbai Date: 02<sup>nd</sup> May, 2025 Place: Mumbai
Date: 02<sup>nd</sup> May, 2025

# **Consolidated Financial Statements**

# INDEPENDENT AUDITOR'S REPORT

To the Members of Parag Milk Foods Limited

### Report on the Audit of the Consolidated Financial Statements

### **Opinion**

We have audited the accompanying consolidated financial statements of **Parag Milk Foods Limited** (the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as the 'Group'), which comprise the Consolidated Balance Sheet as at 31st March, 2025, and the Consolidated Statement of Profit and Loss, and the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2025, of its consolidated profit, consolidated changes in equity and its consolidated cash flows for the year then ended.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our

responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the *Code of Ethics* issued by the Institute of Chartered Accountants of India (the 'ICAI') and the relevant provisions of the Act, 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.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1.	Valuation of trade receivables (Refer Note 12	to the consolidated financial statements)
	As at 31st March, 2025, the trade receivables balance excluding provisions of the Group included in Note 12 was ₹ 280.24 crore.	Our audit procedures included but were not limited to the following:  (a) Understanding the trade receivables process with regards to valuation and evaluation of controls designed and implemented by the management;
	We have identified valuation of trade receivables as a key audit matter on account of the significant management judgment involved with respect to the recoverability	<ul><li>(b) Assessment of the appropriateness of the Company's credit risk policy and obtaining an understanding on management of credit risk;</li><li>(c) Control testing:</li></ul>
	of trade receivables and the provisions for impairment of receivables, and the importance of cash collection with reference to the working capital management of the business.	<ul> <li>Obtaining an understanding on credit approvals, establishing credit limits and continuous monitoring of creditworthiness of customers to which the Group grants the credit in normal course of business.</li> </ul>
		<ul> <li>Obtaining understanding on how the Group establishes an allowance fo doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables.</li> </ul>

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
		(d) Tests of details:
		<ul> <li>We have checked the ageing analysis, on a sample basis and subsequent receipt of the trade receivables, to the source documents, including bank statements;</li> </ul>
		<ul> <li>We have verified the underlying supporting documents like acceptance of invoices along with various correspondence carried out by the Group with trade receivable for realization of money;</li> </ul>
		<ul> <li>We have verified open invoices duly accepted by customers in order to ensure existence of trade receivables;</li> </ul>
		<ul> <li>We have verified the appropriateness of judgments regarding provisions for trade receivables and assessment as to whether these provisions were calculated in accordance with the Group's provisioning policies; and</li> </ul>
		<ul> <li>We have conducted discussion with management as to the recoverability of the old outstanding and corroborating management's explanations with underlying documentation and correspondence with the customers</li> </ul>

### **Revenue recognition** (Refer Note 28 to the consolidated financial statements)

of sale of food products that are sold through | limited to, the following: distributors, modern trade and direct sale channels amongst others.

Revenue is recognized when the control of products is transferred to the customer and there is no unfulfilled obligation.

Owing to the volume of sales transactions, size of the distribution network and varied terms of contracts with customers, revenue is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and hence, requiring significant auditor attention.

The management is required to make certain key judgements around determination of transaction price in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers, on account of consideration payable to customers in the form of various discount schemes, returns and rebates.

The Group and its external stakeholders focus on revenue as a key performance indicator and this could create an incentive for revenue to be overstated or recognised before control has been transferred.

Considering the aforesaid significance to our audit and the external stakeholders, revenue recognition has been considered as a key audit matter for the current year's audit.

The revenue of the Group consists primarily Our key audit procedures around revenue recognition included, but were not

- Assessed the appropriateness of the revenue recognition accounting policies of the Group including those relating to rebates and trade discounts, by evaluating compliance with the applicable accounting standards;
- Evaluated the design and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general and specific information technology controls;
- Performed substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable;
- Performed analytical review procedures on revenue recognised during the year to identify any unusual and/or material variances;
- Performed confirmation and alternative procedures on selected invoices outstanding as at the year end;
- Understood and evaluated the Group's process for recording of the accruals for discounts and rebates and ongoing incentive schemes and on a test basis, verified the year-end provisions made in respect of such schemes;
- Tested a select sample of revenue transactions recorded before the financial year end date to determine whether the revenue has been recognised in the appropriate financial period;
- Tested a sample of manual journal entries posted to revenue ledgers to identify any unusual items; and
- Evaluated the appropriateness and adequacy of disclosures in the consolidated financial statements in respect of revenue recognition in accordance with the applicable requirements.

# Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

# Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. 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 statements 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 statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

# Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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 statements, 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 Group has adequate internal financial controls system 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 management;
- Conclude on the appropriateness of management's 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 statements 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 statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. 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. However, with respect to another subsidiary, incorporated outside India, the activities have not commenced and accordingly, have not prepared the financial statements.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial statements 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matter**

We did not audit the financial statements of one (1) subsidiary, incorporated outside India, which has not commenced any business operations since its incorporation during the year and for which no separate financial statements have been prepared and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of Section 143(3) of the Act in so far as it relates to aforesaid subsidiary is based solely on the information and explanations provided by the Management. In our

opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and financial information certified by the Management.

# Report on Other Legal and Regulatory Requirements

- As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books; except for the matter stated in paragraph (h)(vi) below.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary company, incorporated in India as on 31st March, 2025 taken on record by the Board of Directors of the Holding Company and its subsidiary company none of the directors of the Holding Company and its subsidiary company, incorporated in India is disqualified as on 31st March, 2025 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'**.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197

- of the Act. The provisions of Section 197 of the Act are not applicable to the subsidiary company incorporated in India, as it is a private company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Holding Company and its subsidiary company, incorporated in India- (Refer Note 43 to the consolidated financial statements).
  - (ii) The Holding Company and its subsidiary company, incorporated in India did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
  - (iv) (a) The respective managements of the Holding Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding. whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
    - (b) The respective managements of the Holding Company and its subsidiary which are companies incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company or any of such subsidiaries from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary shall, directly or

- indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) The respective managements of the Holding Company and its subsidiary which is a company incorporated in India whose financial statements have been audited under the Act have represented to us that, to the best of their knowledge and belief, no funds have been received by the Holding Company and its subsidiary.
- (v) (a) The final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act, to the extent it applies to payment of dividend.
  - (b) As stated in Note 17 to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act, to the extent it applies to declaration of dividend.
- (vi) Based on our examination which included test checks, except for the instances mentioned below, the Holding Company and its subsidiary company, incorporated in India has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
  - (a) In case of the Holding Company and its subsidiary company incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll and certain non-editable fields/tables of the accounting software used for maintaining general ledger;
  - (b) In case of the Holding Company and its subsidiary company incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting software used for maintaining the books of account; and
  - (c) In case of the Holding Company and its subsidiary company incorporated in India, the feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting

softwares relating to revenue, trade receivables and general ledger.

Further, during the course of our audit, we have not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Holding Company and its subsidiary company incorporated in India as per the statutory requirements for record retention.

2. With respect to the matters specified in the Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, and according to the information and explanations given to us, and based on our audit of Holding Company and its subsidiary company, incorporated in India as included in the consolidated financial statements, there have been no qualifications or adverse remarks in the CARO reports.

### **SHARP & TANNAN**

Chartered Accountants Firm's Registration No. 109982W by the hand of

### **Edwin Paul Augustine**

Partner Membership No. 043385 UDIN: 25043385BMOOJI2828

Mumbai, 2<sup>nd</sup> May, 2025

### ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) of our report of even date)

# Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

In conjunction with our audit of the consolidated financial statements of the **Parag Milk Foods Limited** (the 'Holding Company') as of and for the year ended 31st March, 2025, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India, as of that date.

# Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company and its subsidiary company, which is a company incorporated in India's internal financial controls system over financial reporting.

# Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2025, based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary company, which is a company incorporated in India, considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### **SHARP & TANNAN**

**Chartered Accountants** Firm's Registration No. 109982W by the hand of

### **Edwin Paul Augustine**

Partner Membership No. 043385 UDIN: 25043385BMOOJI2828

Mumbai, 2<sup>nd</sup> May, 2025

# Consolidated Balance Sheet as at 31st March, 2025

(₹ in crores)

Particulars	Notes	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
(I) ASSETS		31 Walcii, 2023	31 Walch, 2024
1) Non-current assets		······································	
(a) Property, plant and equipment	4	448.55	355.28
(b) Capital work-in-progress	4A	19.31	69.12
(c) Other intangible assets	5	1.98	0.90
(d) Right-of-Use assets	5A	39.41	33.54
(e) Biological assets other than bearer plants	6	87.65	75.83
(f) Financial assets			
(i) Investments	7	4.63	4.63
(ii) Loans	8	-	2.91
(iii) Other financial assets	9	42.79	26.81
(g) Deferred tax assets (net)		-	7.78
(h) Other non-current assets	10	30.30	9.63
Total Non-current assets		674.62	586.43
2) Current assets			
(a) Inventories	11	577.95	615.32
(b) Financial assets			
(i) Trade receivables	12	259.51	244.26
(ii) Cash and cash equivalents	13	11.89	10.56
(iii) Bank balances other than (ii) above	14	13.16	17.02
(c) Current tax assets (net)	15	37.50	25.14
(d) Other current assets	16	458.01	392.16
otal Current assets		1,358.02	1,304.46
otal Assets		2,032.64	1,890.89
II) EQUITY AND LIABILITIES		,	<i>'</i>
1) Equity			
(a) Equity share capital	17	119.20	119.20
(b) Other equity	18	904.21	792.91
otal Equity		1,023.41	912.11
iabilities			
2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	252.37	244.44
(ii) Lease liabilities	20	30.90	25.94
b) Provisions	21	4.68	3.67
c) Deferred tax liabilities (net)	36	10.54	3.98
Total Non-current liabilities		298.49	278.03
3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	363.12	339.17
(ii) Lease liabilities	23	7.90	6.92
(iii) Trade payables	24		
(a) Total outstanding dues of micro and small enterprises;		11.81	11.89
(b) Total outstanding dues of creditors other than micro and small		243.87	237.55
enterprises.			
(iv) Other financial liabilities	25	53.42	56.12
(b) Other current liabilities	26	30.31	48.50
(c) Provisions	21	0.31	0.28
(d) Current tax liabilities (net)	27	-	0.32
otal Current liabilities		710.74	700.75
otal Liabilities		1,009.23	978.78
otal Equity and Liabilities		2,032.64	1,890.89
See accompanying notes forming part of the consolidated financial statements	1 to 57		

As per our report attached **SHARP & TANNAN** 

Chartered Accountants Firm's Registration No. 109982W by the hand of

### **Edwin Paul Augustine**

Partner Membership No. 043385 For and on behalf of the Board of Directors of Parag Milk Foods Limited

Devendra Shah Chairman

DIN: 01127319

### Virendra Varma

Company Secretary & Compliance Officer Membership No. F10520

Place: Mumbai Date: 02nd May, 2025

Pritam Shah Managing Director & Interim Chief Financial Officer DIN: 01127247

Place: Mumbai Date: 02<sup>nd</sup> May, 2025

# Consolidated Statement of Profit and Loss for the year ended 31st March, 2025

(₹in crores)

Pa	rticulars	Notes	For the year ended 31st March, 2025	For the year ended 31st March, 2024
(I)	Income			
	(a) Revenue from operations	28	3,432.21	3,138.70
	(b) Other income	29	40.25	25.01
Tot	tal Income		3,472.46	3,163.71
(II)	Expenses			
	(a) Cost of materials consumed	30	2,489.47	2,425.23
	(b) Changes in inventories of finished goods and work-in-progress	31	57.27	(55.01)
	(c) Employee benefits expense	32	149.95	122.13
	(d) Finance costs	33	93.12	79.40
	(e) Depreciation and amortisation expense	34	67.22	60.25
	(f) Other expenses	35	482.84	445.85
Tot	tal Expenses		3,339.87	3,077.85
(III	) Profit before tax (I-II)		132.59	85.86
(IV	) Tax expense	36		
	MAT (Credit)/ Utilised		(1.19)	0.82
	Deferred tax charge /(credit)		14.99	(5.55)
(V)	Profit for the year (III-IV)		118.79	90.59
(VI	) Other comprehensive income			
	Items that will not be reclassified to profit or loss			
	Remeasurements of the defined benefit plans	42	2.51	0.60
	Income tax on above	36	(0.64)	(0.15)
Otl	her comprehensive income for the year, net of tax		1.87	0.45
(VI	I) Total Comprehensive income for the year (V-VI)		116.92	90.14
(VII	ll)Earnings per equity share (of face value of ₹ 10/- each)	45		
	Basic (in ₹)		9.97	7.71
	Diluted (in ₹)		9.51	7.47
_	a accompanying notes forming part of the cappalidated financial	1+0.57		

See accompanying notes forming part of the consolidated financial statements

1 to 57

As per our report attached

### **SHARP & TANNAN**

Chartered Accountants Firm's Registration No. 109982W by the hand of

### For and on behalf of the Board of Directors of **Parag Milk Foods Limited**

### **Edwin Paul Augustine**

Membership No. 043385

### **Devendra Shah**

Chairman DIN: 01127319

### **Pritam Shah**

Managing Director & Interim Chief Financial Officer DIN: 01127247

### Virendra Varma

Company Secretary & Compliance Officer Membership No. F10520

Place: Mumbai Date: 02nd May, 2025

Place: Mumbai Date: 02nd May, 2025

# Consolidated Statement of Changes in Equity for the year ended 31st March, 2025

### **Equity share capital (Refer note 17)**

(₹ in crores)

Particulars		For the y	rear ended 31st March,	2025	
	Balance at the beginning of the current reporting year	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting year
Issued, subscribed and paid-up (Equity shares of face value ₹10 each)	119.20	-	119.20	0.00	119.20

(₹in crores)

Particulars		For the	e year ended 31st March	, 2024	
Balance at the beginning of the current reporting year		Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting year
Issued, subscribed and paid-up (Equity shares of face value ₹10 each)	117.20	-	117.20	2.00	119.20

### Other equity (refer note 18)

(₹in crores)

Particulars		Reserves	and Surplus		Money	Equity	Other	Total
	Securities premium	General reserve	Share Options Oustanding Account	Retained earnings	received against share warrants	component of FCCB	Comprehensive Income	other equity
Balance as at 1st April, 2023	760.02	5.93	-	(91.38)	4.69	10.68	0.78	690.71
Profit for the year	-	-	-	90.59	-	-	-	90.59
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(0.45)	(0.45)
Securities premium	16.75	-	-	-	-	-	-	16.75
Warrants converted into equity	-	-	-	-	(4.69)	-	-	(4.69)
Balance as at 31 March, 2024	776.77	5.93	-	(0.79)	-	10.68	0.33	792.91
Profit for the year	-	-	-	118.79	-	-	-	118.79
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(1.87)	(1.87)
Dividend				(5.97)				(5.97)
Share based payment expenses	-	-	0.34	-	-	-	-	0.34
Balance as at 31 March, 2025	776.77	5.93	0.34	112.02	-	10.68	(1.54)	904.21

As per our report attached

**SHARP & TANNAN** 

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin Paul Augustine

Partner

Membership No. 043385

For and on behalf of the Board of Directors of Parag Milk Foods Limited

Devendra Shah

Chairman DIN: 01127319 **Pritam Shah** 

Managing Director & Interim Chief Financial Officer

DIN: 01127247

Virendra Varma

Company Secretary & Compliance Officer Membership No. F10520

Place: Mumbai Date: 02<sup>nd</sup> May, 2025

Place: Mumbai Date: 02<sup>nd</sup> May, 2025

# Consolidated Statement of Cash Flows for the year ended 31st March, 2025

(₹in crores)

		(₹ in crores
Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Cash Flows from Operating Activities		
Profit before tax	132.59	85.86
Adjustments for:		
Depreciation and amortization expense (includes on Right-of-Use assets	67.22	60.25
(Reversal) / Allowance for advances and others	(7.92)	14.66
Reversal for expected credit loss	(12.63)	-
Bad Debt written off	38.86	-
Reversal for expected credit loss	(38.86)	-
Fair value gain on investments	-	(0.76)
Share based payment expenses	0.34	-
Finance cost	93.12	79.40
Loss on sale or death of biological assets	0.85	1.76
Gain on sale of property, plant and equipment	(O.11)	0.00
Gain on fair value changes of biological assets	(13.31)	(17.60)
Gain on termination of lease	(0.68)	-
Exchange fluctuation gain (net)	2.49	2.50
Interest income	(3.06)	(4.21)
Operating profit before working capital changes	258.90	221.86
Adjustments for:		
Decrease/ (increase) in inventories	37.36	(41.77)
(Increase) in trade and other receivables	(63.90)	(132.97)
(Decrease) / Increase in trade payables and other payables	(8.30)	67.86
(Decrease) in provisions	(0.53)	(1.05)
Cash generated from operations	223.53	113.93
Direct taxes paid (net of refunds)	(11.49)	(11.66)
Net cash flows generated from operating activities	212.04	102.27
B. Cash Flows from Investing Activities		
Purchase of property, plant and equipment (including Right-of-Use asset	s) (123.85)	(61.19)
Purchase of intangible assets	(1.66)	-
Sale proceeds from biological assets	0.64	0.56
Sale of Property, plant and equipment	0.04	0.01
Amount placed / Maturity proceeds from fixed deposits	(9.70)	3.46
Investment in other entity (equity shares)	-	(4.62)
Proceeds from mutual funds		5.69
Interest received	2.14	3.15
Net cash flows used in investing activities	(132.39)	(52.94)
C. Cash Flows from Financing Activities	(102.03)	(02.04)
Proceeds from issue of shares (net of issue expenses)		14.06
Proceeds from long-term borrowings	45.31	1.33
Repayment of long-term borrowings	(28.91)	(20.37)
	13.20	38.54
Proceeds from short-term borrowings (net)		
Payment of lease liabilities  Payment of interest on lease liabilities	(10.15) (6.15)	(7.98) (2.49)
Interest paid	(85.68)	
		(75.66)
Payment of dividend	(5.97)	/E0 E7\
Net cash flows used in financing activities	(78.35)	(52.57)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1.33	(3.24)
Cash and cash equivalents at the beginning of the year	10.56	13.80
Cash and cash equivalents at the end of the year	11.89	10.56

# Consolidated Statement of Cash Flows for the year ended 31st March, 2025

(₹ in crores)

Particulars		For the year ended 31st March, 2024
Cash and cash equivalents include:		
Balances with banks	9.85	8.40
Cash on hand	2.04	2.16
Total	11.89	10.56

### Notes:

- 1) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, Statement of Cash Flows, as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).
- 2) Additions to property, plant and equipment include movements of capital work-in-progress and capital advance during the year.
- 3) Changes in liabilities arising from financing activities

(₹ in crores)

Particulars	Opening	Cash	Non-Cash Cha	anges	Closing Balance
	Balance	Balance movement	Fair value changes	Others	
Long term borrowings (gross)	244.44	16.40	2.46	(10.93)	252.37
Short term borrowings (net)	339.17	13.20	-	10.75	363.12
Lease liabilities (RoU Asset)	32.86	(16.30)	-	22.24	38.80
Total	616.47	13.30	2.46	22.06	654.29

4) Figures for the previous year have been regrouped wherever necessary.

As per our report attached

**SHARP & TANNAN** 

Chartered Accountants Firm's Registration No. 109982W

by the hand of

**Edwin Paul Augustine** 

Partner

Membership No. 043385

For and on behalf of the Board of Directors of Parag Milk Foods Limited

**Devendra Shah** 

Chairman

DIN: 01127319

Pritam Shah

Managing Director &

Interim Chief Financial Officer

DIN: 01127247

Virendra Varma

Company Secretary & Compliance

Officer

Membership No. F10520

Place: Mumbai Date: 02<sup>nd</sup> May, 2025 Place: Mumbai Date: 02<sup>nd</sup> May, 2025

for year ended 31st March, 2025

#### **Corporate information** 1.

Parag Milk Foods Limited (the 'Company') was incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) of the Company is L15204PN1992PLC070209. The registered office of the Company is situated at Flat No. 1, Plot No. 19, Nav Rajasthan Society, S. B. Road, Shivaji Nagar, Pune 411 016, Maharashtra. These consolidated financial statements comprise the Company and its subsidiaries (collectively referred to as the 'Group').

The Company is a public listed company incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

The Group is engaged in the business of procurement of cow milk mainly in western and southern region, undertakes processing of milk and manufacture of various value-added products namely, Cheese, Butter, Ghee (clarified butter), Fresh cream, Milk powder, Flavoured milk, Lassi (yogurt based drink), Curd, Mithai (Indian sweets) etc., which are marketed under its registered brand name 'Gowardhan', 'Go', 'Topp Up', 'Gowardhan Khushiyan Mithai' and 'Avvatar'.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 2<sup>nd</sup> May, 2025.

#### 2. **Basis of Accounting and Preparation of Financial Statements**

### **Statement of Compliance**

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act'), and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Act. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

Details of Group's material accounting policies are included in Note 3 below.

### 2.2 Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest crore upto two decimal places, unless otherwise stated.

Items included in the consolidated financial statements of the Company are recognised using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (₹), which is Company's functional and presentation currency.

### 2.3 Basis of measurement

The consolidated financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for the following items:

Items	Measurement Basis	
Certain Financial Assets and Liabilities	Fair value	
Shared-based Payment	Fair value	
Biological Assets	Fair value less cost to sell	
Net Defined Benefit (Asset)/ Liability	Present value of defined benefit obligation less fair value of plan assets	

### 2.4 Current / non-current classification

### Current / non-current classification of assets / liabilities

The Group has classified all its assets/liabilities into current/non-current portion based on the time frame of twelve months from the date of the financial statements. Accordingly, assets/liabilities expected to be realised /settled within twelve months from the date of financial statements are classified as current and other assets/liabilities are classified as non-current.

The Company presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is treated as current when it is:

for year ended 31st March, 2025

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in Group normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### (ii) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of asset and liabilities.

### (iii) Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest crores (₹00,00,000) as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

### 2.5 Use of estimates and judgements

In the preparation of the consolidated financial statements, the management made judgements, estimates and assumptions about the carrying amount of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses during the reported period that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### **Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is as below:

Note 41 - Leases - determination of lease term of contracts with renewal and termination options -

- Group as a lessee.

Note 11 - Inventories - Valuation of Inventories

### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the next year financial statements are as below and been discussed in detail in the relevant section of accounting policies:

Note 42 - Measurement of defined benefit obligations: key actuarial assumptions.

Note 43 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

for year ended 31st March, 2025

Note 4 - Useful life of Property, Plant and Equipment

Note 38 - Fair value measurement of financial instruments

Note 12 - Allowance for doubtful debt

Note 36 - Estimation of tax expenses, utilization of deferred tax assets and tax payable.

Note 41 - Lease liabilities - measurement of incremental borrowing costs.

Note 39 - Impairment of financial assets.

Note 11 - Inventories - determination of net realisable value

### 2.6 Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and nonfinancial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

Note 48 - Share-based payment

Note 38 - Financial instruments

Note 47 - Biological assets other than Bearer Plant

### 2.7 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries, being the entities that it controls. Control is evidenced where the group has power over the investee or is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies of the group.

For non-wholly owned subsidiaries a share of the profit/loss for the financial year and net assets is contributed to the non-controlling interests as shown in the Consolidated Statement of profit and loss.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together the items of assets, liabilities, equity, income and expenses. Inter Company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

for year ended 31st March, 2025

### 3. Material Accounting Policies

### 3.1. Property, plant and equipment

#### Recognition and measurement

Freehold land is carried at historical cost. For freehold land has infinite useful life can be determined, related carrying amounts are not amortised.

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Items such as spare parts, stand-by equipment and servicing equipment that meet the definition of PPE are capitalised at cost and depreciated over their useful life.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

#### Subsequent expenditure

Subsequent expenditure is capitalised in the carrying amount of assets or recognised as a separate asset only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

All other repairs and maintenances are charged to the statement of profit and loss during the reporting period in which they are incurred.

### **Depreciation**

Depreciation on cost of fixed assets is provided on straight-line-method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II to the Act, except for second hand machineries which are depreciated basis the balance useful life as specified in Schedule II to the Act. Leasehold building improvements are depreciated based on the management estimates of useful life, namely 3 years.

Depreciation on additions is provided on a *pro-rata* basis from the date of ready to use and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a *pro-rata* basis up to the month proceeding the month of deduction/disposal.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than estimated recoverable amount.

Useful life of the assets are as follows: -

Assets	Useful life (years)
Leasehold Building Improvements	3
Buildings	30
Plant and Equipment	3/5/6/8/10/11/12/15
Furniture and Fixtures	10
Vehicles	8/10
Office Equipment's	5
Computer	3

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial yearend and adjusted prospectively, if appropriate.

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### **Derecognition**

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

### Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

### Capital work-in-progress

Capital work-in-progress includes expenditure incurred till the assets are put into intended use. Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

### 3.2. Intangible assets

### **Recognition and measurement**

Intangibles are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

### Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is recognised in profit or loss as incurred.

### **Amortization**

Amortization is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful lives are as follows:

Assets	Useful life (years)
Trade Marks	10
Website Development	3
Computer Software	3

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortization expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level.

### **Derecognition**

The carrying amount of an intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognised in the Statement of Profit and Loss when the asset is derecognised.

for year ended 31st March, 2025

### 3.3 Impairment

### **Financial assets**

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL with simplified approach. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

### Non-financial assets

### Intangible Assets and Property, Plant and Equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

#### 3.4 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### The Group as a lessee

The Group lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) The contract involves use of identified asset;
- (ii) The Group has substantially all of the economic benefit of from use of the asset through the period of the lease; and
- (iii) The Group has the right to direct the use of the asset

At the date of commencement of lease, the Group recognize a Right-of-Use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve month or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as operating expense on straight-line basis over the term of lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Group depreciates the ROU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term. The Group also assesses the ROU asset for impairment when such indicators exist

The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with corresponding adjustment to the related ROU asset if Group changes its assessment if whether it will exercise an extension or termination option.

Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

for year ended 31st March, 2025

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

The following is the summary of practical expedients:

- Applied a single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date.
- 2. Applied the exemption not to recognize ROU asset and liabilities for leases with less than 12 months of lease term of the date of initial application.
- 3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116, is applied only to contracts that were previously identified as leases under Ind AS 17, Leases.
- Excluding initial direct costs for the measurement of ROU asset at the date of initial application.

#### The Group as a lessor

Leases for which the Group is a lessor classified as finance or operating lease. Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

### 3.5 Biological Asset

A biological asset is a living animal or plant.

An entity shall recognise a biological asset when, and only when:

- the entity controls the asset as a result of past events; (a)
- (b) it is probable that future economic benefits associated with the asset will flow to the entity; and
- the fair value or cost of the asset can be measured reliably.

A biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell.

Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

Biological Assets i.e. livestock (cows) are measured at fair value less costs to sell, with any change therein recognised in statement of profit and loss.

The animals reared from conception (calf) and heifers are classified as 'immatured biological assets' until the animals become productive. All the productive animals are classified as "matured biological assets".

### 3.6 Inventories

Inventories are valued at the lower of cost (including prime cost, GST and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. Taxes which are subsequently recoverable from taxation authorities are not included in the cost. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

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Finished goods are valued at the lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition), computed on a weighted average basis.

### 3.7 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cheques on hand, demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

### 3.8 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Group unconditional right to consideration.

### 3.9 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade payables are presented as current unless payment is not due within twelve months after the reporting period. They are recognized initially at the fair value and subsequently measured at amortized cost using the effective interest method.

### 3.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### Recognition and initial measurement

The Group initially recognises financial assets (excluding Trade Receivable) and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

### Classification and subsequent measurement

### **Financial Assets**

### Financial assets carried at amortised cost

Financial instruments are subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the consolidated statement of profit and loss. The losses arising from impairment are recognised in the consolidated statement of profit and loss.

### Financial assets at fair value through other comprehensive income (FVOCI)

A debt instrument is subsequently measured at FVOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVOCI debt instrument is reported as interest income using the EIR method

In case, the Group's management has made an irrevocable election at the time of initial recognition to account for the equity investment (Other than Investments in equity instruments of Subsidiary) FVOCI. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.

for year ended 31st March, 2025

### Financial assets at fair value through profit or loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

### Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the consolidated statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the consolidated statement of profit and loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the consolidated statement of profit and loss. The group has not designated any financial liability as at fair value through profit and loss.

### Financial liabilities at amortised cost.

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### **Derecognition**

### **Financial assets**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

### **Financial liabilities**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the statement of profit and loss.

### Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

### 3.11 Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

### 3.12 Revenue recognition

The Group is engaged in the business of procurement of cow milk and undertakes processing of milk and manufacture of various value-added products from milk. The Group derives revenues primarily from sale of milk and value-added products made from milk. The Group recognizes Ind AS 115, Revenue from contracts with customers, based on a five-step model as set out in the Standard:

for year ended 31st March, 2025

**Step 1:** Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

**Step 2:** Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

**Step 3:** Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**Step 4:** Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Group satisfies a performance obligation.

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Group expects to receive in exchange for those products or services ("transaction price").

Revenue is measured on the basis of transaction price, after deduction of any discounts and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Discounts are recognised in accordance with the schemes implemented by the Group. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

Processing charges is recognized as per the terms of the contract when the related services are rendered.

### 3.13 Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

Dividend income is recognized when the group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on Bank Deposits is accrued on time proportionate basis and at the applicable interest rate.

### 3.14 Foreign currency translation

### **Initial Recognition**

On initial recognition, transaction in foreign currencies entered into by the Group are recorded in the functional currency (INR), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit & Loss.

### Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit & Loss except exchange differences on long term foreign currency monetary items related to acquisition of fixed assets prior to transition to Ind AS, which are included in the cost of fixed assets.

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### 3.15 Government grants and incentives

Government incentives are recognised at fair value when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received. The Government incentives are recognised in profit or loss on a systematic basis over the period in which the Group recognises the related costs for which the incentives are intended to compensate as expense or immediately if the costs have already been incurred.

Eligible export incentives and Bio-Gas subsidiary are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability.

### 3.16 Share-based payment

Employees of the Company receive remuneration in the form of share-based payment in consideration of the services rendered. Under the equity settled share-based payment, the fair value on the grant date of the award given to employees is recognized as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer using Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest.

### 3.17 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in Other Comprehensive Income (OCI).

#### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

Current tax assets and liabilities are offset only if:

- (i) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- (ii) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneous.

### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- Temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

for year ended 31st March, 2025

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The Government of India, on 20<sup>th</sup> September, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Group has decided to take benefit of the reduced tax rate as permitted in the said section.

### Presentation of current and deferred tax

Current and deferred tax are recognised as income or an expense in the Statement of Profit & Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset/Net of Deferred tax liabilities.

### 3.18 Borrowing costs

Borrowing costs consist of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Interest and other borrowing costs attributable to qualifying assets are capitalised upto the date such assets are ready for their intended use. Other interest and borrowing costs are charged to Statement of Profit and Loss.

### 3.19 Provisions, contingent liabilities and contingent assets

The Group recognizes the provisions when a present obligation (legal or constructive) as a result of past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects when appropriate, the risk specific to the liability. When discounting is used, the increase in provision due to passage of time is recognised as a finance cost.

A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying the economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying the economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be extracted on capital account and not provided for.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details

for year ended 31st March, 2025

### 3.20 Employee benefits

#### **Short-term employee benefits**

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

### Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, Employees State Insurance., are recognised as expenses in the period in which the employee renders the related service. The Group has no further obligations beyond its monthly contributions. The Group also provides for post-employment defined benefit in the form of gratuity. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Remeasurement of the net benefit liability, which comprise of actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in Other Comprehensive Income. The effect of any plan amendments are recognised in net profit in the Statement of Profit and Loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

### 3.21 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit/loss attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares
- (ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings shares to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 3.22 Statement of Cash flow

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

### 3.23 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the group.

### 3.24 Recent Accounting Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as amended from time to time. For the year ended March 31,2025, MCA has notified Ind -AS 117 *Insurance Contracts* and amendments to Ind-AS 116 *Leases*, relating to sale and leaseback transactions, applicable to the Group w.e.f. 01st April 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that the new pronouncement is not applicable to the Group.

for year ended 31st March, 2025

# Note 4: Property, plant and equipment

₹ in crores

Particulars	Freehold land	Leasehold building improvements	Buildings	Plant and equipments	Furniture and fixtures	Vehicles	Office equipments	Computer	Total
Year ended 31st March, 2024									
Gross carrying amount									
Opening gross carrying amount	45.69	4.16	96.18	533.31	4.86	8.31	3.70	5.44	701.64
Additions during the year	2.06	-	6.44	34.93	1.23	0.32	0.72	1.39	47.08
Disposals/Adjustments during the year						(0.09)			(0.09)
Closing gross carrying amount as at 31st March, 2024	47.75	4.16	102.62	568.24	6.09	8.54	4.42	6.83	748.63
Accumulated depreciation									
Opening accumulated depreciation	-	3.94	25.44	298.19	2.60	3.97	2.68	4.52	341.36
Depreciation charge during the year	-	-	3.70	45.92	0.53	0.89	0.43	0.54	51.99
Disposals/Adjustments during the year	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation up to 31 <sup>st</sup> March, 2024	-	3.94	29.14	344.11	3.13	4.86	3.11	5.06	393.35
Impairment									
Opening balance	-	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-	-
Impairment up to 31st March, 2024	-	-	-	-	-	-	-	-	-
Net carrying amount as at 31st March, 2024	47.75	0.22	73.48	224.13	2.96	3.66	1.30	1.76	355.28
Year ended 31 <sup>st</sup> March, 2025									
Gross carrying amount									
Opening gross carrying amount	47.75	4.16	102.62	568.24	6.09	8.54	4.42	6.83	748.65
Additions during the year	2.21	2.76	81.17	54.54	2.30	0.77	1.37	1.53	146.66
Disposals/Adjustments during the year	-	-	-	(6.90)	(0.01)	(0.18)	-	(0.20)	(7.29)
Closing gross carrying amount as at 31st March, 2025	49.96	6.92	183.79	615.88	8.38	9.13	5.79	8.16	888.02
Accumulated depreciation									
Opening accumulated depreciation	-	3.94	29.14	344.11	3.13	4.86	3.11	5.05	393.34
Depreciation charge during the year	-	0.23	4.58	45.00	0.61	0.73	0.43	1.06	52.64
Disposals/Adjustments during the year	-	-	-	(6.15)	(0.01)	(0.16)	-	(0.19)	(6.50)
Closing accumulated depreciation up to 31 <sup>st</sup> March, 2025	-	4.17	33.72	382.96	3.73	5.43	3.54	5.92	439.48
Impairment									
Opening balance	-	-	-	-	-	_	-	-	-
Impairment during the year	-	-	_	_	_	_	_	-	-
Impairment up to 31st March, 2025	-	-	-	-	-	-	-	-	-
Net carrying amount as at 31st March, 2025	49.96	2.75	150.07	232.92	4.65	3.70	2.25	2.24	448.55

Refer note 37 for information on Property, plant and equipment pledged as security by the Group.

for year ended 31st March, 2025

N	ote	4A:	Capita	ıl Wor	k-in-	progress
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₹in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Reconciliation of carrying amount		
Opening balance	69.12	44.71
Additions during the year	31.04	30.62
Capitalised during the year	(80.85)	(6.20)
Closing balance	19.31	69.12

Ageing of Capital Work-in-prog	ress as on 31st Marc	h, 2025			₹incrores
Particulars Amount in CWIP for a period of					
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	11.79	4.92	2.60	-	19.31
Projects temporarily suspended	-	-	-	-	-
Total	11.79	4.92	2.60	-	19.31

### Ageing of Capital Work-in-progress as on 31st March, 2024

₹in crores

Particulars		Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	25.43	31.75	11.94	-	69.12	
Projects temporarily suspended	-	-	-	-	-	
Total	25.43	31.75	11.94	-	69.12	

### Notes:

- $1 \quad \text{For details of assets given as security against borrowings (Refer note 19 and 22)} \\$
- 2 Amount of contractual commitments for the acquisition of PPE (Refer note 43)
- 3 There are no Capital Work-in-progress (CWIP) that are overdue or have exceeded their original plan/budget.
- 4 There is no impairment during the year for Property, plant and equipments and capital working in progress.
- No proceedings has been initiated or pending against the Group for holding any benami property under The Benami Transactions (Prohibition) Act, 1988 and the rules made there under

## Note 5: Other intangible assets

Particulars	Computer software	Website Development	Patents / Trade Marks	Total
Year ended 31st March, 2024		-		
Gross carrying amount				
Opening gross carrying amount	7.56	0.01	1.35	8.92
Additions during the year	0.88	-	-	0.88
Closing gross carrying amount as at 31st March, 2024	8.44	0.01	1.35	9.80
Accumulated amortisation				
Opening accumulated amortisation	7.36	0.01	1.35	8.73
Amortisation charge for the year	0.18	-	-	0.17
Closing accumulated amortisation up to 31st March, 2024	7.54	0.01	1.35	8.90

for year ended 31st March, 2025

## Note 5: Other intangible assets

₹ in crores

Particulars	Computer software	Website Development	Patents / Trade Marks	Total
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2024	-	-	-	-
Net carrying amount as at 31st March, 2024	0.90	-	-	0.90
Year ended 31 <sup>st</sup> March, 2025				
Gross carrying amount				
Opening gross carrying amount	8.44	0.01	1.35	9.80
Additions during the year	1.65	0.00	-	1.65
Closing gross carrying amount as at 31st March, 2025	10.09	0.01	1.35	11.45
Accumulated amortisation				
Opening accumulated amortisation	7.54	0.01	1.35	8.90
Amortisation charge for the year	0.57	0.00	-	0.57
Closing accumulated amortisation up to 31st March, 2025	8.11	0.01	1.35	9.47
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2025	-	-	-	-
Net carrying amount as at 31st March, 2025	1.98	0.00	_	1.98

### Note:

- 1. There are no contractual commitments for the acquisition of intangible assets at the reporting date.
- 2. The group does not have any project related to development of an intangible asset whose completion is overdue or any project where cost have exceeded as compared to the original plan. There are no project where activities have been suspended.
- 3. There are no intangible asset under development during the year.
- $4. \quad \text{There is no impairment during the year for intangible assets.} \\$

## Note 5A: Right-of-Use assets

Particulars	Plant & Machinery	Building	Land	Total
Year ended 31st March, 2024				
Gross carrying amount				
Opening gross carrying amount	24.19	4.29	2.55	31.03
Additions during the year	-	10.13	16.42	26.55
Disposals/Adjustments during the year	-	-	-	-
Closing gross carrying amount as at 31st March, 2024	24.19	14.42	18.97	57.58
Accumulated depreciation				
Opening accumulated depreciation	14.32	1.38	0.25	15.95
Depreciation charge during the year	5.60	1.52	0.97	8.09

for year ended 31st March, 2025

## Note 5A: Right-of-Use assets

₹in crores

Particulars	Plant & Machinery	Building	Land	Total
Year ended 31 <sup>st</sup> March, 2024				
Disposals/Adjustments during the year	-	-	-	-
Closing accumulated depreciation up to 31st March, 2024	19.92	2.90	1.22	24.04
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31st March, 2024	-	-	-	-
Net carrying amount as at 31st March, 2024	4.27	11.52	17.75	33.54
Year ended 31 <sup>st</sup> March, 2025				
Gross carrying amount				
Opening gross carrying amount	24.19	14.42	18.97	57.58
Additions during the year	17.88	4.31	1.11	23.30
Disposals/Adjustments during the year	(18.12)	-	(2.61)	(20.73)
Closing gross carrying amount as at 31st March, 2025	23.95	18.73	17.47	60.15
Accumulated depreciation				
Opening accumulated depreciation	19.92	2.90	1.22	24.04
Depreciation charge during the year	7.47	4.67	1.87	14.01
Disposals/Adjustments during the year	(16.59)	-	(0.74)	(17.33)
Closing accumulated depreciation up to 31st March, 2025	10.80	7.57	2.35	20.72
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to 31 <sup>st</sup> March, 2025	-	-	-	-
Net carrying amount as at 31st March, 2025	13.15	11.15	15.11	39.41

All lease agreements are duly executed in favour of the Company

Refer note 41 disclosure pursuant to Indian Accounting Standard (Ind AS) 116, Leases

## Note 6: Biological asset other than bearer plant - Livestock (Cows)

₹in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Balance at the beginning of the year	75.83	60.55
Less: Decrease due to sale/disposal	(1.49)	(2.32)
Add: Change in fair value less cost to sell (see note below)	13.31	17.60
Fair Value as at the end of the year	87.65	75.83

## Note:

It represents change in price as well as changes on account of biological transformation. There have been no new purchase/acquisitions of biological assets.

Refer Note 47: Biological Assets

for year ended 31st March, 2025

### **Note 7: Non-current Investments**

₹ in crores

Particulars	Face	As at 31st March	, 2025	As at 31st March	, 2024
	value	Quantity (Nos)	Value	Quantity (Nos)	Value
Unquoted					
Investment in Other entities carried (at amortizied cost)					
TP Solapur Saurya Limited	10.00	46,24,704	4.62	46,24,704	4.62
Investment in other entities (fair value through profit or loss)					
OPGS Power Gujarat Private Limited	-	2,18,000	-	2,18,000	-
Rupee Co-Operative Bank Limited	-	3,800	-	3,800	-
Other Investments					
Unquoted					
Investment in other entities (fair value through profit or loss)					
Sharad Sahakari Bank Limited	-	318	-	318	-
SVC Co-operative Bank Limited	0.00	200	0.00	200	0.00
Total			4.63		4.63
Total non-current investments			4.63		4.63
Aggregate amount of quoted investments at cost			-		-
Aggregate amount of market value of quoted investments			-		-
Aggregate amount of unquoted investments at cost			4.63		4.63
Aggregate amount of impairment in the value of investments			-		-

### Notes:

The investments are in compliance with Section 186(4) of the Companies Act, 2013.

Refer note no. 38 and 39 for information about fair measurement, credit risk and market risk of investments.

The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year 2024-25 and 2023-24

During the year, subsidairy company namely, Parag Foods Middle East FZE ("PFME FZE") was incorporated in Dubai. The operations are yet to commence.

### Note 8: Loans - Non current

₹ in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Loan considered good-Secured	-	-
Loan considered good-Unsecured	-	2.91
Loan credit- impaired	-	0.29
Less: Allowances for doubtful loans	-	(0.29)
Total	-	2.91

Refer note no 39 for information about credit risk and market risk for loans

for year ended 31st March, 2025

### Note:

- The Group has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- b) Loans given to employees as per the Group's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- c) Disclosures pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

₹ in crores

Dudindag	A1	A1
Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Loans to Others		
Balance as at the beginning of the year	2.91	3.00
Loans given during the year	-	-
Loans repaid during the year	2.91	-
Balance as at the end of the year	-	2.91
Maximum amount outstanding at any time during the year	2.91	3.00
Total	-	2.91

### Note 9:Non-current-Other financial assets

₹in crores

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Unsecured, considered good		
Term deposits with bank having original maturity of more than one year*	29.72	16.15
Other Deposits		
Considered good-Unsecured	12.55	9.93
Credit Impaired	0.94	3.46
Less: Allowances for doubtful deposits	(0.94)	(3.46)
	12.55	9.93
Interest receivable	0.52	0.72
Total	42.79	26.81

<sup>\*</sup>The Group held Term deposits with bank having original maturity of more than one year of ₹29.72 crores as at 31st March, 2025 (31st March, 2024: ₹ 16.15 crores). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

### Note 10: Other Non-current assets

Particulars	As at	As at
Conital advances (vince avvisal)	31st March, 2025	31st March, 2024
Capital advances (unsecured)		
Considered good	30.24	9.58
Credit Impaired	0.41	1.41
Less: Allowances for doubtful advances	(0.41)	(1.41)
	30.24	9.58
Prepaid expenses	0.06	0.05
Total	30.30	9.63

for year ended 31st March, 2025

Note 11: Inventories ₹in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Raw materials	17.65	10.05
Work-in-progress	283.74	204.12
Finished goods (Refer note below)	220.36	357.25
Packing materials, stores spares and consumables	56.20	43.90
Total	577.95	615.32

### Notes:

The cost of inventories recognised as an expense is disclosed in note 31 together with purchases disclosed in the Statement of profit and loss.

The mode of valuation of inventories has been stated in Note 3(5) of material accounting policy Inventories given as hypothecation with bankers against working capital limit Refer Note 19 and 22

The above includes goods in transit as below:

₹in crores

Particulars	Asat	As at
	31st March, 2025	31st March, 2024
Stock in transit - finished goods	2.99	2.22

### Note 12: Trade receivables

Particulars	As at 31st March, 2025	As at 31st March, 2024
Trade receivables - Considered good ,Unsecured	259.51	244.26
Trade receivables - which have significant increase in credit risk (ageing)	20.73	70.97
Less: Allowance for expected credit loss	(20.73)	(70.97)
Total	259.51	244.26
The movement in allowance for expected credit loss is as follows:		
Balance as at beginning of the year	70.97	61.01
(Reversal)/ Provision for expected credit losses during the year	(11.39)	9.96
Trade receivables written off during the year	(38.86)	-
Balance as at the end of the year	20.73	70.97

for year ended 31st March, 2025

## Ageing for Trade receivables from the due date of payment for each of the category as at 31st March, 2025

₹in crores

Particulars	Not	Outstanding for following periods from due date of payment					Total
	due	Less than 6 Months	6 months - 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed Trade receivables - considered good	236.51	10.75	9.36	2.34	0.55	0.00	259.51
Undisputed Trade receivables - which have significant increase in credit risk	-	-	-	3.04	2.10	15.59	20.73
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	236.51	10.75	9.36	5.38	2.65	15.59	280.24
Allowance for expected credit loss	-			3.04	2.10	15.59	20.73
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	-	-	-	3.04	2.10	15.59	20.73
TOTAL [(A)- (B)]	236.51	10.75	9.36	2.34	0.55	-	259.51
Percentage of expected credit loss followed for each bracket	0%	0%	0%	57%	79%	100%	

## Ageing for Trade receivables from the due date of payment for each of the category as at 31st March, 2024

Particulars	Not	Outstandin	Outstanding for following periods from due date of payment				
	due	Less than 6 Months	6 months - 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed trade receivables considered good	128.42	104.52	8.19	2.96	0.17	-	244.26
Undisputed trade receivables which have significant increase in credit risk	-	4.13	4.25	14.61	3.67	44.32	70.97
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	128.42	108.65	12.44	17.57	3.83	44.32	315.22
Allowance for expected credit loss	_	4.13	4.25	14.61	3.67	44.32	70.97
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	-	4.13	4.25	14.61	3.67	44.32	70.97
TOTAL [(A)- (B)]	128.42	104.52	8.19	2.96	0.17	-	244.26
Percentage of expected credit loss followed for each bracket	0%	4%	34%	83%	96%	100%	

for year ended 31st March, 2025

### Notes:

- (a) Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.
- (b) No trade receivables are due from directors or other officers of the Group, either severally or jointly with any other person, nor any trade and other receivables are due from firms or private companies respectively in which any directors is a partner, a director or a member.
- (c) For the Group's exposure to credit and currency risk related to trade receivables [Refer notes 39 (A) and 39 (C)].
- (d) Trade receivables are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts.
- (e) Trade receivables stated above are charged on a first pari-passu basis between working capital consortium members led by Union Bank of India, SVC Co-operative Bank Limited, State Bank of India and IDBI Bank Limited
- (f) There are no unbilled dues during the year. Trade receivable are not interest bearing
- (g) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers

### Note 13: Cash and cash equivalents

₹in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31st March, 2024
Balances with banks		
- in current accounts	9.84	1.29
Short term bank deposits (maturity within 3 months)*	0.01	7.11
Cash on hand	2.04	2.16
Total	11.89	10.56

<sup>\*</sup> Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates.

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting year and prior year.

## Note 14: Bank Balance other than cash and cash equivalents

₹in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Short term bank deposits (maturity more than 3 months but less than 12 months)	13.16	17.02
Total	13.16	17.02

### Note:

The Group held cash and cash equivalents and other bank balances of ₹13.16 crore as at 31st March, 2025 (31st March, 2024: ₹17.02 crore). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

### Note 15: Current tax assets

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Current tax assets (net)	37.50	25.14
Total	37.50	25.14

for year ended 31st March, 2025

### Note 16: Other current assets

₹in crores

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Advances other than capital advances		
Unsecured considered good unless stated otherwise		
Prepaid expenses	51.08	52.73
Advances to suppliers/others		
Considered good	216.42	228.18
Considered doubtful	6.82	6.86
Less: Allowances for doubtful deposit	(6.82)	(6.86)
	216.42	228.18
Others	0.25	-
Recoverable from statutory and government authorities		
Balances with government authorities	192.48	119.64
Less: Allowances for doubtful recovery	(2.22)	(8.39)
	190.26	111.26
Grand Total	458.01	392.16

### Note:

The Company has not given any advances to directors or other officers of the Company or any of them either severally or jointly with any other persons or advances to firms or private companies respectively in which any director is a partner or a director or a member

## Note 17: Equity share capital

# (a) Details of Equity Share Capital

₹ in crores

Particulars	As at 31st March	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares	Amount	Number of shares	Amount	
Authorised Shares					
Equity shares of ₹10 each	20,00,00,000	200.00	20,00,00,000	200.00	
Issued, Subscribed and paid-up shares					
Equity shares of ₹10 each	11,92,04,826	119.20	11,91,99,826	119.20	

## (b) Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year.

Particulars	Number of shares	Face value (₹)	Amount
As at March 31, 2023	11,73,75,841	10.00	117.38
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,73,75,841	10.00	117.38
Add: Share Warrant converted into equity (face value of 20,00,000 shares allotted to a Director)	20,00,000	10.00	2.00
Less: Amount recoverable from ESOP Trust (face value of 1,76,015 shares allotted to the Trust)	1,76,015	10.00	0.18
As at 31st March, 2024	11,91,99,826	10.00	119.20
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,93,70,841	10.00	119.37
Add: Shares issued on exercise of employee stock option	5,000	10.00	0.00
Less: Amount recoverable from ESOP Trust (face value of 1,71,015 share alloted to the Trust)	1,71,015	10.00	0.17
As at 31st March, 2025	11,92,04,826	10.00	119.20

for year ended 31st March, 2025

### (c) Terms and rights attached to equity shares

The Group has only one class of shares referred to as equity shares having a par value of ₹ 10 per share. Each holders of equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. In the event of liquidation of the Group, the holders of equity shares will be entitled to receive the remaining assets of the Group, after distribution of all preferential amounts. However no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors in their meeting on 2<sup>nd</sup> May 2025 recommended a final dividend of ₹1 (One) per equity share for the financial year ended 31st March 2025. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately ₹ 11.92 crore. It is not recognised as a liability as at 31st March 2025.

### (d) Details of shareholders holding more than 5% shares in the Holding Company \*

Particulars	As at 31st M	As at 31st March, 2025		As at 31st March, 2024	
	Number of shares	% holding of total shares	Number of shares	% holding of total shares	
Equity shares of ₹ 10 each fully paid					
Mr. Devendra Prakash Shah	2,02,06,400	16.95%	2,02,06,400	16.95%	
Mr. Pritam Prakash Shah	91,59,888	7.68%	91,59,888	7.68%	
Mrs. Netra Pritam Shah	1,38,67,027	11.63%	1,38,67,027	11.63%	
Sixth Sense Indian Opportunities III	81,67,245	6.85%	81,67,245	6.85%	

<sup>\*</sup> as per the records of the Company, including its register of members

## (e) Details of shareholdings by the Promoter's of the Holding Company.

Promoter Name	As at 31st Ma	s at 31st March, 2025 As at 31st March, 2024 % change in		As at 31st March, 2024	
	Number of shares (Nos.)	% of total shares	Number of shares (Nos.)	% of total shares	the year
Mr. Devendra Prakash Shah	2,02,06,400	16.95%	2,02,06,400	16.95%	0.00%
Mr. Pritam Prakash Shah	91,59,888	7.68%	91,59,888	7.68%	0.00%
Late Prakash Babulal Shah	100	0.00%	100	0.00%	0.00%
Mrs. Netra Pritam Shah	1,38,67,027	11.63%	1,38,67,027	11.63%	0.00%
Mrs. Priti Devendra Shah	22,22,820	1.86%	22,22,820	1.86%	0.00%
Mr. Poojan Devendra Shah	32,95,000	2.76%	32,95,000	2.76%	0.00%
Ms. Akshali Devendra Shah	20,00,000	1.68%	20,00,000	1.68%	0.00%
Mrs. Shabdali Mitul Desai	10,000	0.01%	10,000	0.01%	0.00%
Mr. Stavan Pritam Shah	100	0.00%	100	0.00%	0.00%
Mrs. Rajani Prakash Shah	100	0.00%	100	0.00%	0.00%
Late Parag Prakash Shah	1,00,000	0.08%	1,00,000	0.08%	0.00%
Total Promoters shares outstanding	5,08,61,435	42.67%	5,08,61,435	42.67%	
Total shares outstanding	11,92,04,826		11,91,99,826		

- (f) As per records of the Holding Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares. The above percentage have been computed after excluding 171,015 nos (31st March, 2024 176,015 nos) of equity shares issued to ESOP Trust.
- (g) The Holding Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date.
- (h) Shares reserved for issue under Employee stock purchase plan Information relating to Employee stock purchase plan, including details of options issued, exercised and lapsed during the financial year and options outstanding as at the end of the reporting period are set out in note 48.

for year ended 31st March, 2025

# **Note 18: Other Equity**

₹in crores

Particulars	Asat	Asat
	31st March, 2025	31st March, 2024
Securities Premium	776.77	776.77
General Reserve	5.93	5.93
Retained Earnings	112.02	(0.80)
Other Comprehensive Income		-
- Remeasurements of defined benefit plans	(1.54)	0.33
Shares options oustanding account	0.34	-
Equity components of FCCB	10.68	10.68
Total	904.21	792.91

Note: For movements in reserves - Refer Statement of Changes in Equity.

**Movement in Reserves** 

Particulars	As at 31st March, 2025	As at 31st March, 2024
Securities Premium (A)		
Opening Balance	776.77	760.02
Movement during the year*	-	16.75
Closing Balance	776.77	776.77
*Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on 14 <sup>th</sup> Febuary, 2024 the Company has issued 20,00,000 Equity Shares of ₹10 each at a premium of ₹83.75 to Ms. Akshali Shah.		
General Reserves (B)		
Opening Balance	5.93	5.93
Movement during the year	-	-
Closing Balance	5.93	5.93
Share options oustanding account (C)		
Opening Balance	-	-
Share based payment expenses	0.34	-
Movement during the year	-	-
Closing Balance	0.34	-
Retained earnings (D)		
Opening Balance	(0.80)	(91.38)
Add: Profit after tax for the year	118.79	90.58
Less: Dividend	(5.97)	-
Closing Balance	112.02	(0.80)
Share warrants (E)		
Opening Balance	-	4.69
Add: Additions during the year **	-	(4.69)
Closing Balance	-	-
(**The Company has vide board resolution dated 14 <sup>th</sup> Febuary, 2024, had converted 20,00,000 convertible share warrants in to 20,00,000 equity shares having a face value of ₹ 10 each at a price of ₹ 93.75 (including a premium of ₹ 83.75) issued to Ms. Akshali Shah).		

for year ended 31st March, 2025

Movement in Reserves ₹in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Foreign Currency Convertible Bonds (FCCB) (F)		
Opening Balance	10.68	10.68
Movement during the year	-	-
Closing Balance	10.68	10.68
Other Comprehensive Income (G)		
Opening Balance	0.33	0.78
Movement during the year (net of tax)	(1.87)	(0.45)
Closing Balance	(1.54)	0.33
Closing balance	904.21	792.91

### Nature and purpose of reserves

### (a) Securities Premium

The amount received in excess of face value of the equity shares is recognised as securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 ("the Act").

#### (b) General Reserves

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc. Mandatory transfer to general reserve is not required under the Act.

### (c) Share options outstanding account

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense.

### (d) Retained Earnings

Retained earnings are the profits that the Company has earned till date, net-off less any transfers to general reserve, dividends or other distribution to the shareholders

### (e) Share Warrants

Share warrants are instruments that give their holder the right to buy the stock of the issuing company at a predetermined price within a stipulated time frame. They are similar to options, the holder of a warrant has the right (but not the obligation) to purchase the shares of a company at a specified price in the future.

### (f) Foreign Currency Convertible Bonds:

The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹ 135 per share which is subject to adjustments in accordance with the terms agreed between the parties and applicable law. FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription.

### (g) Other Comprehensive Income:

Remeasurement of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

Debt Instruments through Other Comprehensive Income: The fair value change of the debt instruments measured at FVOCI is recognised in Debt instruments through OCI. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

Fair value of cash flow hedges through Other Comprehensive Income: The effective portion of the fair value change of the cash flow hedges measured at fair value through other comprehensive income is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the statement of profit and loss at the same time as the related cash flow.

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### Note 19: Non-Current - Borrowings

Particulars	Asat	Asat
	31st March, 2025	31st March, 2024
Measured at amortised cost		
Unsecured		
FCCB Bond (Refer note 19(a))	81.22	78.60
Secured		
Non convertible Debenture (NCD) (Refer note 19(b))	104.71	127.60
Term loans from Bank (Refer note 19(c))	103.68	64.63
Vehicle loan (Refer note 19(d))	0.30	0.41
Less: Current maturity related to above	(37.54)	(26.80)
Total	252.37	244.44

- (a) Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on 28th May, 2021, the Company had issued 10,680 Foreign Currency Convertible Bonds (FCCB) having face value of USD 1,000 each through private placement of unlisted, unsecured, unrated to International Finance Corporation (IFC).
  - The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹135 per share, as per IFC's letter dated 03rd January, 2024 for IFC's in-principle approval for amendment to certain provisions of the FCCB Subscription Agreement dated 08th May, 2021 executed between IFC and the Company.
  - FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription. Coupon offered, if any of FCCB's, are repayable in 10 semi annual instalments starting from 15th June, 2021.
  - No interest shall be payable if the volume weighted average price per equity share of the Company traded on the relevant stock exchange for a 3 month period is equal to or greater than ₹ 200 per share, accordingly no interest provision has been made for the year ended 31st March, 2025.
- (b) Non-Convertible Debentures (NCDs) are payable as per redemption schedule w.e.f. 15th June, 2023 to 15th June, 2029 in thirteen instalments, half yearly on 15<sup>th</sup> June and 15<sup>th</sup> December of ₹ 11.54 crore each presently carrying interest @ 10.81% p.a. The company shall use the proceeds from the issue of the debentures pursuant to this deed to finance its future expansion plans and working capital requirements, in accordance with the financial plan and applicable law. The loan is secured by First pari passu charge by hypothecation of movable and mortgage of immovable properties situated at Samudrapalle Village, Panchayathi Palamner Mandal, Andhra Pradesh and Aawasari Phata Manchar, Taluka Ambegaon, Maharashtra together with all the erections and constructions of every description which are standing, erected or attached to the properties.
- (c) Term loan from a bank of ₹ 42.93 crore (31st March, 2024: ₹ 0.88 crore) carry interest @ 10.75% p.a. The loans are repayable over 60 monthly instalments maturing in January 2030 of ₹ 0.90 crore along with interest. The loan is secured by exclusive charge on fixed assets acquired from proceeds of such loan, Exclusive Mortgage Charge on Land & Building Convention Centre, Padma Nidhi 149/1, Samudra Palli (Vi), Pengaragunta (P.O.), Palamaner (Mdl), Chittoor (Dist), A.P.-517408, Subservient Charge on Factory land and building at Samudrapalle Village, Panchayathi Palamner Mandal, Andhra Pradesh and Aawasari Phata Manchar, Taluka Ambegaon, Maharashtra and mortgage of Entire (Present & Future) Plant & Machinery and other fixed assets owned by the company and personal guarantee of Mr. Devendra Shah and Mr. Pritam Shah
  - Term loan from a bank outstanding of ₹ 60.75 crore as at 31st March, 2025 (31st March, 2024: ₹ 63.75 crore) carried interest ranges from 11.00% p.a to 11.5% p.a. The Rupee currency loan shall be payable in 85 monthly instalments starting from December 2022. The loan is secured by simple mortgage of Agricultural land and dairy land owned by the Company, located at village Sultanpur, Taluka - Ambegaon, Dist. - Pune- 410503 and admin building and cow sheds constructed thereupon along with hypothecation of existing plant and machinery, live stocks and other fixed assets and personal guarantee given by directors and their relatives.
- (d) Hire purchase loan of ₹ 0.30 crore ( 31st March, 2024 : ₹ 0.41 crore) from HDFC Bank Ltd carries interest @ 9.35 % p.a. The loans are repayable in 60 monthly instalments starting from December 2024 of ₹ 0.01 crore each. The loan is secured by specific assets financed (vehicle).
- (e) Average interest rate for the non-current borrowings is 0% p.a. 11.5% p.a.
- (f) Refer Note 39 for information about liquidity risk and market risk of borrowings.
- (g) All charges have been registered with the Registrar of Companies (RoC). The company does not have charges which is yet to be registered with the Registrar of Companies (RoC) beyond the statutory period.

for year ended 31st March, 2025

## Note 20: Lease Liabilities - Non Current

₹ in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Lease liability (Refer note 41)	30.90	25.94
Total	30.90	25.94

### **Note 21: Provisions**

₹ in crores

Particulars	As at	As at
	31st March, 2025	31st March, 2024
Non-current:		
Provision for employee benefits		
Provision for compensated absences (Refer note 42)	-	0.72
Provision for gratuity (Refer note 42)	4.68	2.95
Total	4.68	3.67
Current:		
Provision for employee benefits		
Provision for compensated absences	-	0.22
Provision for gratuity	-	0.06
Others	0.31	
Total	0.31	0.28

## Note 22: Borrowings - current

₹ in crores

Particulars	Asat	As at	
	31st March, 2025	31st March, 2024	
Secured			
Loans repayable on demand			
From banks- cash credit	325.58	312.37	
Others		-	
Current maturities of long-term debt (Refer note 19)	37.54	26.80	
Total	363.12	339.17	

## Notes:

Cash credit from banks are secured by first pari passu charge on all current assets of the company and second pari passu charge on plant property situated at Samudrapalle Village, Panchayathi Palamner Mandal, Andhra Pradesh and Aawasari Phata Manchar, Taluka Ambegaon, Maharashtra 410503 and plant and equipments along with furniture and fixture situated at Samudrapalle Village, Panchayathi Palamner Mandal, Andhra Pradesh and Aawasari Phata Manchar, Taluka Ambegaon, Maharashtra 410503 of the company, personal guarantee of promoter directors. The cash credit is repayable on demand and carries interest @ 9.90% p.a. to 10.85% p.a.

### Note 23: Lease liabilities - Current

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Lease liability (Refer note 41)	7.90	6.92
Total	7.90	6.92

for year ended 31st March, 2025

### Note 24: Trade payables

₹in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
(a) Total outstanding dues of micro enterprises and small enterprises; and	11.81	11.89
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises.*	243.87	237.55
Total	255.68	249.44

<sup>\*</sup> Amount due to related parties (Refer note 44)

Refer note 39 for information about liquidity and market risk of trade payable.

### Notes:

### (a) Ageing for Trade payables from the due date of payment for each of the category as at 31st March, 2025

₹ in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	0.18	11.45	0.13	0.05	-	11.81
Undisputed dues - Others	160.35	73.47	3.27	5.03	1.76	243.87
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	160.53	84.92	3.40	5.08	1.76	255.68

### Ageing for Trade payables from the due date of payment for each of the category as at 31st March, 2024

₹in crores

Particulars	Not Due	Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	7.05	4.14	0.69	0.01	-	11.89
Undisputed dues - Others	131.14	88.10	13.43	2.70	2.19	237.55
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	138.19	92.24	14.12	2.71	2.19	249.44

# (b) The Group has certain dues to supplies registered under as "micro" and "small" under Micro, Small and Medium Enterprises Act, 2006

### The disclosures pursuant to the said MSMED Act are as follows:

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came in to force from 2<sup>nd</sup> October, 2006, certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the Management, the following disclosures are made for the amounts due to Micro and Small enterprises:

for year ended 31st March, 2025

₹in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	11.81	11.89
Interest	0.86	1.66
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	3.86	3.00
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	3.86	3.00

(c) This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no material overdue principal amounts to such vendor as at the Balance Sheet date.

The Group exposure to currency and liquidity risks related to trade payables is disclosed in note 39.

### Note 25: Other financial liabilities - Current

₹ in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Interest accrued but not due on borrowings	9.68	8.21
Deposits - others	15.07	12.54
Employee related liabilities	12.36	11.16
Trade payable for capital goods other than payable to micro enterprises and small enterprises	15.88	21.47
Directors remuneration payable	0.44	2.74
Total	53.42	56.12

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as 31st March, 2025 (31st March, 2024: ₹ NiI)

# (a) Ageing for trade payables for capital goods from the due date of payment for each of the category as at 31st March, 2025

						(111010100
Particulars Not Due Outstanding for following periods from due date of payment						Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	-	_	-	-	-
Undisputed dues - Others	9.19	1.94	1.56	0.12	3.07	15.88
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	9.19	1.94	1.56	0.12	3.07	15.88

for year ended 31st March, 2025

## (b) Ageing for trade payables for capital goods from the due date of payment for each of the category as at 31st March, 2024

₹in crores

Particulars	Not Due	Outstanding for	Total			
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed dues - MSME	-	-	-	-	-	-
Undisputed dues - Others	11.85	4.44	0.64	0.01	4.53	21.47
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	11.85	4.44	0.64	0.01	4.53	21.47

### **Note 26: Other Current Liabilities**

₹in crores

Particulars	As at 31st March, 2025	As at 31st March, 2024
Advances from customers*	21.57	40.17
Statutory dues payables	8.74	8.34
Total	30.31	48.50

<sup>(\*</sup> Does not include financing component.)

## Note 27: Current tax liabilities (net)

₹ in crores

Particulars	As at 31st March, 2025	As at 31 <sup>st</sup> March, 2024
Current tax liabilities (net)	-	0.32
Total	-	0.32

## Note 28: Revenue from Operations

₹in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Sale of products	3,326.67	3,077.67
Other operating revenue	105.54	61.03
Total	3,432.21	3,138.70

## Disaggregation of revenue from contract with customers

The Group has determined the categories of disaggregation of revenue considering the types/ nature of contracts. The Group derives revenue mainly from the transfer of goods.

for year ended 31st March, 2025

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
A. Revenue from contract with customers:	,	,
Sale of products	3,326.67	3,077.67
Sale of services	-	-
	3,326.67	3,077.67
B. Other operating revenues:		ŕ
Processing charges	8.57	19.25
Export benefits and incentives	0.05	0.04
Package Scheme of Incentive	76.60	26.92
Production Linked Incentive	11.61	13.72
Scrap sale	1.51	1.10
Milk Subsidy	7.20	-
	105.54	61.03
Total	3,432.21	3,138.70
(i) Timing of revenue recognition		
Goods transferred at a point in time	3,328.18	3,078.77
Goods transferred over the time	-	-
Total revenue from contract with customers	3,328.18	3,078.77
Add: Processing charges	8.57	19.25
Export benefits and incentives	0.05	0.04
Package Scheme of Incentives	76.60	26.92
Production Linked Incentives	11.61	13.72
Milk Subsidy	7.20	10.7 2
Total revenue from operations	3,432.21	3,138.70
(ii) Disaggeration of revenue based on product	3,432.21	3,136.70
Milk	376.46	350.93
Milk products	2,814.05	2,614.46
Cattle feed	18.97	4.23
	•••••••••••••••••••••••••••••••••••••••	•
Compost manure	4.27	3.53
Other Consumer products	112.92	104.51
Total revenue from contract with customers	3,326.67	3,077.67
(iii) Revenue by location of customers	0.040.70	0.040.00
India	3,240.70	3,042.02
Outside India	87.48	36.75
Total revenue from contract with customers	3,328.18	3,078.77
Add: Processing charges	8.57	19.25
Export benefits and incentives	0.05	0.04
Package Scheme of Incentive	76.60	26.92
Production Linked Incentive	11.61	13.72
Milk subsidy	7.20	
Total revenue from operations	3,432.21	3,138.70
Reconciliation of revenue recognised in statement of profit and loss with		
contracted price	0.500.40	0.045.05
Revenue as per contracted price	3,538.18	3,245.65
Less: Discount/ Rebate	(210.00)	(166.88)
Total revenue from contract with customers	3,328.18	3,078.77
Add: Processing charges	8.57	19.25
Export benefits and incentives	0.05	0.04
Package Scheme of Incentive	76.60	26.92
Production Linked Incentive	11.61	13.72
Milk subsidy	7.20	-
Total revenue from operations	3,432.21	3,138.70

for year ended 31st March, 2025

#### Notes:

- (a) In accordance with Indian Accounting Standard (Ind AS) 20, Accounting for Government Grants and Disclosure of Government Assistance, the Group has accounted for Industrial Promotion Subsidy under Package Scheme of Incentives, 2013 amounting to ₹ 76.60 crore (31st March, 2024: ₹26.92 crore), Production Link Incentives Scheme, 2021 amounting to ₹11.61 crore (31st March, 2024: ₹ 13.72 crore) as Other Operating Income in Statement of profit and loss.
- (b) The group has also accounted for Milk subsidy amounting to ₹7.2 crore (31st March, 2024: ₹Nil) as Other operating income in statement of profit and loss, based on government circular dated 02<sup>nd</sup> August, 2024.
- (c) Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers. As at year end there are no unsatisfied performance obligation.
- (d) i) The Group does not have any contract asset as at 31st March, 2025; (31st March, 2024: Nil)
  - The Group does not have any contract liability as at March 31 2025; (31st March, 2024: Nil)
  - iii) The Group does not receive 10% or more of its revenue from transaction with any single external customer.
- (e) Cost to obtain the contract
  - Amortisation in Statement of Profit and Loss: -31st March, 2025: Nil (31st March, 2024: Nil)
  - Recognised as contract assets at 31st March, 2025: Nil (31st March, 2024: Nil)

Note 29: Other income ₹ in crores

Par	ticulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
a)	On financial assets measured at amortised costs		
	Interest on bank deposits	2.10	3.67
•••••	Other interest income	0.96	0.54
b)	Other non-operating income		
	Gain on termination of lease	0.68	
	Provision written back (net)	10.13	-
••••••	Reversal of provision on Expected credit loss (net)	12.63	-
••••••	Net gain on sale of Asset	0.11	-
	Net gains on sale or fair value of investments	-	0.77
	Fair value changes in livestock	13.31	17.60
Mis	cellaneous income	0.33	2.43
Tot	al	40.25	25.01

### Note 30: Cost of materials consumed

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Raw materials consumed		
Inventory at the beginning of the year	10.05	15.16
Add: Purchases during the year	2,371.69	2,237.56
	2,381.74	2,252.72
Less: Inventory at the close of the year	(17.65)	(10.05)
Cost of Raw materials consumed	2,364.09	2,242.67
Packing materials, stores spares & consumables consumed		
Inventory at the beginning of the year	43.90	52.03
Add: Purchases during the year	137.68	174.43
	181.58	226.46
Less: Inventory at the close of the year	(56.20)	(43.90)
Cost of Packing materials, stores spares & consumables consumed	125.38	182.56
Total	2,489.47	2,425.23

for year ended 31st March, 2025

# Note 31: Changes in inventories of finished goods and work-in-progress

₹in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Inventories at the beginning of the year		,
Finished goods	212.48	148.32
Work-in progress	348.89	358.04
	561.37	506.36
Less: Inventory at the close of the year		
Finished goods	220.36	212.48
Work-in progress	283.74	348.89
	504.10	561.37
Changes in inventories:		
Finished goods	(7.88)	(64.16)
Work-in-progress	65.15	9.14
Net increase/ (decrease)	57.27	(55.01)

# Note 32: Employee benefits expense

₹in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31 <sup>st</sup> March, 2024
Salaries and wages*	129.36	103.16
Contributions to provident and other funds (Refer note 42)	4.29	4.47
Gratuity (Refer note 42)	1.34	1.14
Staff welfare expenses	1.52	7.67
Share based payment expenses (Refer note 48)	7.83	-
Director Remuneration (Refer note 44)	5.62	5.68
Total	149.95	122.13

 $<sup>^{\</sup>star}$  Includes salary paid to relative of KMP (Refer note 44) and including compensated absences

## Note 33: Finance costs

Particulars		For the year ended 31st March, 2024
Interest expenses on		
Borrowings	54.70	57.83
Lease liabilities (Refer note 41)	6.15	2.49
Others	32.27	19.08
Total	93.12	79.40

for year ended 31st March, 2025

## Note 34: Depreciation and amortisation expense

₹in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Depreciation of Property, plant and equipment (Refer note 4)	52.64	51.99
Amortisation of intangible assets (Refer note 5)	0.57	0.18
Depreciation of Right of Use assets (Leased Assets) (Refer note 5A)	14.01	8.08
Total	67.22	60.25

## Note 35: Other expenses

₹in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Freight, forwarding and distribution expenses	121.86	97.81
Consumption of stores, spare and consumables	22.60	20.97
Power and fuel	58.39	51.44
Rent and storage charges	13.05	16.83
Rates and taxes	11.69	9.79
Repairs and maintenance	19.42	14.43
Processing and other manufacturing charges	47.80	40.30
Exchange fluctuation (net)	2.05	2.35
Travelling, conveyance and vehicle expenses	9.43	8.61
Legal and professional fees	15.80	16.22
Commission to Directors and sitting fees	3.95	3.67
Sales promotion, commission & advertisement	134.40	130.49
Provision for doubtful debts (net)	0.97	4.70
Impairment allowance on trade receivable (net)	1.24	9.96
Bad Debts	38.86	-
Reversal of impairment allowance on trade receivable	(38.86)	-
Loss on sale of biological assets	0.85	1.76
Auditor's remuneration (Refer note 35.1)	0.54	0.57
Miscellaneous expenses (Refer note 35.2)	18.80	15.95
Total	482.84	445.85

## 35.1 Details of payments to auditors (excluding goods and service tax)

Particulars	•	For the year ended 31st March, 2024
(a) Audit fees	0.46	0.42
(b) For others services	0.02	0.10
(c) For re-imbursement of expenses	0.06	0.05
Total	0.54	0.57

<sup>35.2</sup> Miscellaneous expense includes printing and stationery, communication, insurance and other expenses.

**<sup>35.3</sup>** There are no transactions which are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

for year ended 31st March, 2025

### Note 36: Income tax

# (a) The major components of recognised deferred tax assets/(liabilities) arising on account of timing differences are as follows:

For the year ended 31st March, 2025 ₹in crores				
Particulars	Net balance 1 <sup>st</sup> April, 2024	Recognised in Statement of profit or loss	Recognised in Other Comprehensive income	Net balance 31st March, 2025
Deferred tax liabilities				
Property, plant and equipment & Intangible assets	17.41	(0.90)	-	16.51
Fair value of livestock	15.21	3.70	-	18.91
Right-of-Use Asset	8.91	1.40	-	10.31
Sub-Total	41.53	4.20	-	45.73
Deferred tax assets				
Expected credit loss on financial assets	23.21	(15.23)	-	7.98
Expenses allowed on payment basis	1.22	0.48	0.64	2.34
Unabsorbed losses	10.55	3.70	-	14.25
Lease Liabilities	8.70	1.45	-	10.16
Minimum Alternate Tax (MAT) credit	1.65	(1.19)	-	0.46
Sub-Total	45.33	(10.79)	0.64	35.19
Net Deferred tax (liabilities)	3.80	(14.99)	0.64	(10.54)

### For the year ended 31st March, 2024

₹ in crores

Particulars	Net balance 1 <sup>st</sup> April, 2023	Recognised in Statement of profit or loss	Recognised in Other Comprehensive income	Net balance 31 <sup>st</sup> March, 2024
Deferred tax liabilities				
Property, plant and equipment & Intangible assets	23.92	(6.51)	-	17.41
Fair value of livestock	11.09	4.13	-	15.21
Right-of-Use Asset	-	8.91	-	8.91
Sub-Total	35.01	6.53	-	41.53
Deferred tax assets				
Expected credit loss on financial assets	19.22	3.99	-	23.21
Expenses allowed on payment basis	2.51	(1.44)	0.15	1.22
Unabsorbed losses	10.55	-	-	10.55
Lease liabilities	-	8.70	-	8.70
Minimum Alternate Tax (MAT) credit	0.83	0.82	-	1.65
Sub-Total	33.11	12.07	0.15	45.33
Net Deferred tax assets/(liabilities)	(1.90)	5.55	0.15	3.80

### Note:

- (a) Minimum Alternative Tax (MAT) credit balance as at 31<sup>st</sup> March, 2025 amounts to ₹ 0.46 crore ( 31<sup>st</sup> March, 2024 : ₹ 1.65 crore). The Group is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.
- (b) The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

for year ended 31st March, 2025

# Note 36: Disclosure pursuant to Indian Accounting Standard (Ind AS) 12, Income Taxes

(b) The major components of income tax expense for the for the year ended 31st March, 2025 and 31st March, 2024 are:

₹ in crores
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Pai	ticulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
i)	Income tax expense in the statement of profit and loss comprises:		
	Current tax charge	-	-
	Minimum Alternate Tax (MAT) credit / (Reversed)	(1.19)	0.82
Tot	al current income tax	(1.19)	0.82
De	ferred tax charge / (credit)		
	Relating to origination and reversal of temporary differences	14.99	(5.55)
Inc	ome tax expense reported in the statement of profit or loss	13.80	(4.73)
ii)	Other Comprehensive Income:		
Cu	rrent income tax related to items recognised in OCI during the year:		
••••	Current Income tax on re-measurement loss on defined benefit plans	(0.64)	(0.15)
Inc	ome tax related to items recognised in OCI during the year :	(0.64)	(0.15)
iii)	Reconciliation of tax expense and the acccounting profit multiplied by India's domestic tax rate:		
	Accounting Profit before tax	132.59	85.86
	Applicable tax rate	25.168%	25.168%
Со	mputed Tax Expense	33.37	21.60
	Expenses not allowed for tax purpose	(24.16)	(1.72)
	Others	4.59	(24.60)
Inc	ome tax charged to Statement of Profit and Loss	13.80	(4.73)
Eff	ective tax rate	10.41%	-5.50%

## (c) The Company has not created deferred tax asset on the following tax losses:

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Unabsorbed brought forward business loss	129.12	302.32
Unabsorbed depreciation	65.23	53.77
Total	194.36	356.10

for year ended 31st March, 2025

## Note: 37 Assets pledged as security

₹ in crores

Particulars	For the year ended 31st March, 2025	For the year ended 31st March, 2024
Current Assets		,
Financial assets	•	
Trade Receivables	259.51	244.26
Cash and cash equivalents	11.64	10.04
Other financials assets	13.16	17.02
	284.31	271.31
Non-financial assets		
Inventories	577.95	615.31
Other current assets	499.47	410.05
Total Current assets pledged as security	1,077.42	1,025.37
Non Current assets		
Non-financial assets		
Land	37.68	47.75
Building	149.05	73.47
Furniture, fittings and equipment	4.46	2.88
Plant and equipments	232.90	224.13
Vehicles	1.02	0.90
Others	7.30	5.95
Biological assets other than bearer plants (Cows)	87.65	75.83
Capital work-in-progress	7.07	59.45
Total non-current assets pledged as security	527.11	490.38
Total assets pledged as security	1888.84	1,787.06

## Note 38: Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, Financial Instruments - Disclosures

### A. Accounting classification and fair values

The under mentioned table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

### B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

### C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for identical instrument in an active market. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and the mutual funds are valued using closing NAV.

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Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market inputs directly or indirectly and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

- i) The carrying values of current financial liabilities and current financial assets are taken as their fair value because of their short term nature.
- ii) The carrying values of non-current financial liabilities and non-current financial assets are taken as their fair value based on their discounted cash flows.
- iii) The Company has used quoted market price for determining fair value of investments in equity instruments and mutual funds.
- iv) There have been no transfers between level 1, level 2 and level 3 for year ended 31st March, 2025 and 31st March, 2024 respectively.

₹in crores

As at 31st March, 2025	Carrying amount			Fair value			
	FVTPL	<b>Amortised Cost</b>	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Investments - Others	-	4.63	4.63	-	-	-	-
Others				-			
Other financial assets (non current)	-	42.79	42.79	_	-	-	-
Trade receivable	-	259.51	259.51	_	-	-	-
Cash and cash equivalents	-	11.88	11.88	_	-	-	-
Other bank balances	-	13.16	13.16	_	-	-	-
Total	-	331.97	331.97	-	-	-	-
Financial liabilities							
Borrowings - non-current	-	252.37	252.37	_	-	-	-
Lease liability (current and non current)		38.80	38.80	-			
Borrowings - current	-	363.12	363.12	_	-	-	-
Trade payables	-	255.69	255.69	_	_	-	-
Other financial liabilities	-	53.42	53.42	_	-	-	-
Total	-	963.39	963.39	_	_	-	_

As at 31st March, 2024	Carrying amount			Fair value			
	FVTPL	<b>Amortised Cost</b>	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Investments - Others	-	4.63	4.63	-	-	-	-
Others							
Other financial assets (non current)	-	29.71	29.71	-	-	-	-
Trade receivable	-	244.25	244.25	-	-	-	-
Cash and cash equivalents	-	10.56	10.56	-	-	-	-
Other bank balances	-	17.02	17.02	-	-	-	-
Total	-	306.18	306.18	-	_	-	-
Financial liabilities							
Borrowings - non-current	-	244.43	244.43	-	-	-	-
Lease liability (current and non current)		32.86	32.86	-	-	-	-
Borrowings - current	-	339.18	339.18	-	-	-	-
Trade payables	-	249.43	249.43	-	-	-	-
Other financial liabilities	-	56.12	56.12	-	-	-	-
Total	_	922.03	922.03	-	_	_	-

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### **Note 39: Financial Risk Management**

### Risk management framework

The Group has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework. The Group has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Group.

The audit committee of the holding company also oversees how management monitors compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group principal financial assets include investments in equity shares, loans, trade and other receivables, and cash and cash equivalents that the Group derives directly from its operations. The Group also holds FVOCI/FVTPL investments.

The Group activities expose it to credit risk, liquidity risk and market risk. The Group primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

This note explains the sources of risk to which the Group is exposed to and how the entity manages the risk.

### (A) Credit risk

### **Trade and Other receivables**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

The Group has adopted a policy of dealing with credit worth counter parties and obtaining collateral where appropriate as a means of mitigating the risk of financial loss from defaults

Concentration of credit risk with respect to Trade receivables are limited, due to the customer base being large, diverse and across sector and countries. All trade receivables are reviewed and assessed for default on quaterly basis.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. In monitoring customer credit risk, customers are Grouped according to their credit characteristics, including whether they are General trade, Modern trade, Institutional and Horeca customers. Outstanding customers are regularly monitored.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31st March, 2024
Outstanding for a period not exceeding six months	247.26	237.07
Outstanding for a period exceeding six months	32.98	78.16
Gross trade receivables	280.24	315.23
Less: Allowance for expected credit loss	(20.73)	(70.97)
Net trade receivables	259.51	244.26

On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss. The Group computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Group historical experience for customers. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

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The movement in the loss allowance in respect of trade and other receivables is as follows

₹ in crores

Loss allowance on trade receivables	Amount
Balance as at 1st April, 2023	61.01
Provision / (Reversal) of allowance for expected credit loss	9.96
Balance as at 31st March, 2024	70.97
Provision / (Reversal) of allowance for expected credit loss	(11.39)
Trade receivables written-off during the year	(38.86)
Balance as at 31st March, 2025	20.73

### Cash and bank balances:

Credit risk on cash and bank balances is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

### (B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft/ cash credit facility. The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities. The Group has access to a sufficient sources of short term funding with existing lenders that could be arrange upon should there be need.

### (i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

₹ in crores

Contractual maturities of financial liabilities as at 31st March, 2025	Carrying value	1 year or less	1-2 years	2-5 years	Total
Non-derivatives financial liabilities					
Borrowings - non-current (including interest accrued but not due)	281.45	41.19	25.67	160.52	227.38
Borrowings - current	363.12	363.12	_	-	363.12
Trade payables	255.69	255.69	-	-	255.69
Lease Liabilities	38.79	12.07	10.09	32.91	55.07
Other financial liabilities	44.65	44.65	-	_	44.65
Total non-derivative liabilities	983.70	716.72	35.76	193.43	945.90

Contractual maturities of financial liabilities as at 31st March, 2024	Carrying value	1 year or less	1-2 years	2-5 years	Total
Non-derivatives financial liabilities					
Borrowings - non-current (including interest accrued but not due)	251.94	31.87	28.49	191.45	251.81
Borrowings - current	339.18	339.81	-	-	339.81
Trade payables	249.44	249.44	-	-	249.44
Lease Liabilities	32.86	10.42	7.30	30.91	48.63
Other financial liabilities	48.61	48.61	-	-	48.61
Total non-derivative liabilities	922.03	680.15	35.79	222.36	938.29

for year ended 31st March, 2025

### (C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

### (i) Foreign currency exchange rate risk

The Group is subject to risk of changes in foreign currency values that impact costs of imported raw material and import of equipment for expansion of plants, primarily with respect to USD and EURO. The Group business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations.

The Group has not entered into any derivative transactions during the year and there were no derivative transactions outstanding as on 31st March, 2025.

### (a) The Group unhedged exposure to foreign currency risk at the end of the reporting year are as follows

₹ in crores

Sr	Particulars	Currency	As	at 31st March, 2025	As at 31st March, 2024		
no				Foreign currency	INR	Foreign currency	
Α	Financial assets						
(i)	Trade receivables	USD	5.86	0.07	4.84	0.06	
В	Financial liabilities						
(i)	FCCB	USD	81.22	10.68	78.60	10.68	
(ii)	Trade payables	GBP	(0.02)	(0.00)	-	-	
		EURO	(0.06)	(0.01)	(0.01)	(0.00)	
		CHF	(0.00)	(0.00)	(0.01)	(0.00)	

### (b) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at 31st March, 2025 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

	Profit / (loss) before	tax gain / (loss)	Equity, gross of tax		
	Strengthening	Weakening	Increased	(Decreased)	
31st March, 2025					
Effect in INR					
1% movement					
USD	0.75	(0.75)	0.75	(0.75)	
EUR	(0.00)	0.00	(0.00)	0.00	
GBP	(0.00)	0.00	(0.00)	0.00	
CHF	(0.00)	0.00	(0.00)	0.00	
31st March, 2024					
Effect in INR					
1% movement					
USD	0.74	(0.74)	0.74	(0.74)	
EUR	(0.00)	0.00	(0.00)	0.00	
GBP	(0.00)	0.00	(0.00)	0.00	

for year ended 31st March, 2025

#### **Note 39: Financial Risk Management**

#### (i) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

The Group borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### (a) Interest rate risk exposure

Group interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows:

		\\ \text{IITCIOICS}
Particulars	As at	As at
	31st March 2025	31st March 2024
Fixed rate instruments		
Financial assets		
Bank deposits	42.88	40.28
Total	42.88	40.28

₹ in crores

₹ in crores

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Variable rate instruments		
Financial liabilities		
Non-current borrowings	252.37	244.44
Current maturities of non-current borrowings	37.54	26.81
Current borrowings	325.58	312.38
Total	615.49	583.63

#### (b) Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

₹ in crores

•		on profit /(loss) - Increase / Decrease) in profit	
	31st March, 2025	31st March, 2024	
Interest rates – increase by 100 basis points *	(6.15)	(5.84)	
Interest rates – decrease by 100 basis points *	6.15	5.84	

(\* Holding all other variables constant)

for year ended 31st March, 2025

#### **Note 40: Capital Management**

#### (a) Risk Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic plans and the requirements of the financial covenants. To maintain or adjust the capital structure, the Holding Company may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

#### (b) Dividend

The Board of Directors of the Holding Company has recommended dividend of ₹ 1 (One Rupee) per equity shares of the face value of ₹ 10 each for the financial year ended 31<sup>st</sup> March, 2025 which is subject to the approval of the shareholders in the ensuring Annual General Meeting.

#### (c) Net Debt Reconciliation

The Group adjusted net debt to equity ratio are as follows.

₹ in crores

Particulars	As at 31 <sup>st</sup> March, 2025	As at 31 <sup>st</sup> March, 2024
Borrowings		
Long term and Short term borrowings	577.95	556.81
Current maturities of Long term borrowings	37.54	26.80
Less: Cash and cash equivalents	(54.76)	(43.73)
Adjusted net debt	560.73	539.88
Total Equity	1,023.41	912.11
Adjusted net equity	1,023.41	912.11
Adjusted net debt to adjusted equity ratio	0.55	0.59

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital of the Group during the current and previous year.

#### Note 41:- Disclosure pursuant to Indian Accounting Standard (Ind AS) 116, Leases

The group has entered into commercial leases for taking building (office spaces), land and Plant & Equipment on lease. There are no restrictions placed upon the group by entering into these leases. Some of the lease arrangements also include a non-cancellable period, purchase option and escalation clauses. The group has not given any sub lease during the year.

### A. Right-of-Use assets

₹ in crores

Particulars	31st March, 2025	31st March, 2024
Opening balance	57.58	31.03
Additions	23.30	26.55
Disposal / derecognized during the year	(20.73)	-
Gross Carrying Value (I)	60.15	57.58

for year ended 31st March, 2025

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•	ın	Cr	2	$r \circ$

Particulars	31st March, 2025	31st March, 2024
Opening balance	24.04	15.95
Additions	14.01	8.09
Disposal / derecognized during the year	(17.33)	-
Closing Accumulated depreciation (II)	20.72	24.04

₹ in crores

Particulars	31st March, 2025	31st March, 2024
Net Carrying Value (I-II)	39.41	33.54

#### B. Lease Liabilities

₹in crores

Particulars	31st March, 2025	31st March, 2024
Opening balance	32.86	16.79
Additions/ (Deletions)	16.09	24.05
Accredition of interest	6.15	2.49
Payments	16.30	10.47
Closing balance	38.80	32.86

₹in crores

Particulars	31st March, 2025	31st March, 2024
Current	7.90	6.92
Non - current	30.90	25.94
Total	38.80	32.86

As at balance sheet date, the group is not exposed to future cashflows for extention / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The effective interest rate for lease liabilities is 10 % p.a to 12 % p.a.

#### C. Maturity Analysis of lease liability:

₹in crores

Particulars	31st March, 2025	31st March, 2024
less than one years	7.90	6.92
one to two years	6.77	4.44
more than two year upto five years	15.18	9.85
more than five years	8.95	11.65
Total	38.80	32.86

The group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

for year ended 31st March, 2025

#### D. Amounts to be recognised in Statement of profit and loss for the year ended 31st March, 2025

₹in crores

Particulars	31st March, 2025	31st March, 2024
Depreciation expense of Right-of-Use assets	14.01	8.09
Interest expense on lease liabilities	6.15	2.49
Total	20.16	10.58

Total cash out flow for leases including interest amounting to ₹ 16.30 crores during the year (previous year: ₹ 10.47 crores).

#### E. Lease rent ₹in crores

Particulars	31st March, 2025	31st March, 2024
Lease payments recognised for short term leases and low value lease in Statement of Profit and Loss during the year	11.87	16.83
Total	11.87	16.83

These leases are short-term and of low value in nature. The Group has applied the recognition exemptions provided under Ind AS 116 and has elected not to recognise right-of-use assets and lease liabilities for such leases.

#### Note 42: Disclosure pursuant to Indian Accounting Standard (Ind AS) 19, Employee Benefits

#### A. Defined contribution plan

The Group has recognised an amount of ₹ 4.29 crores (March 31, 2024: ₹ 4.47 crores) as expenses under the Defined Contribution Plans in the Statement of Profit and Loss as below:

₹in crores

Particulars	31st March, 2025	31st March, 2024
Provident Fund	3.62	3.91
National Pension Scheme	0.29	0.12
Employees State Insurance	0.38	0.44
Total	4.29	4.47

#### B. Defined benefit plan- Gratuity

The Group operates a defined benefit gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The plan entitles an employee who has completed at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the last drawn wage by the employee concerned, subject to the maximum limit specified under the Payment of Gratuity Act, 1972 as amended from time to time. The gratuity amount is payable on termination of the employee or retirement whichever event is earlier, the benefit vest after five years of continuous service.

The defined benefit gratuity plan is administered by a Trust that is legally separate from the Group. The gratuity plan is a funded plan, managed by Life Insurance Group ("LIC") and the Group's makes annual contributions to Group Gratuity cum Life Assurance Scheme managed by LIC.

The most recent actuarial valuation of the defined benefit obligation was carried out as at 31st March, 2025. The present value of the defined benefit obligations and the related current service cost and past service costs were measured using Projected Unit Credit Method.

for year ended 31st March, 2025

These plans typically expose the Group to actuarial risks such as: inherent interest rate risk, longevity risk and salary risk.

Investment Risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Market Risk (Interest Rate)	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Longevity Risk	The impact of longevity risk will depend on whether the benefits are paid before retirement age or after . Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.
Actuarial Risk	Salary Increase Assumption - Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.
	Attrition/Withdrawal Assumption- If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions
Regulatory Risk	Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticapated. Sometimes, the increase is many fold which will impact the financials quite significantly.

Based on the actuarial valuation obtained in respect of gratuity, the table below sets out the status of the gratuity plan and the amounts recognized in the Group financial statements as at the balance sheet date.

₹in crores

De	fined benefit plans	31st March, 2025	31st March, 2024
ı	Expenses recognised in statement of profit and loss during the year:		
	Current service cost	1.20	0.94
	Past service cost	-	-
	Expected return on plan assets	(0.41)	(0.28)
	Interest cost on benefit obligation	0.56	0.48
***************************************	Total Expenses	1.35	1.14
II	Expenses recognised in OCI		
••••	Actuarial (gain) / loss due to demographic assumption changes in DBO	(0.00)	(0.00)
•••••	Actuarial (gain) / loss due to financial assumption changes in DBO	0.20	0.06
	Actuarial (gain)/ losses due to experience on DBO	2.34	0.49
••••	Return on Plan Assets (greater) / less than Disount rate	(0.03)	0.04
	Total Expenses	2.51	0.60
Ш	Net asset /(liability) recognised as at balance sheet date:		
	Present value of defined benefit obligation (DBO)	(12.77)	(8.80)
•••••	Fair value of plan assets	8.09	5.80
***************************************	Net defined benefit asset /(liability)	(4.68)	(3.01)
I۷	Movements in present value of defined benefit obligation		
	Present value of defined benefit obligation at the beginning of the year	8.84	7.42
	Current service cost	1.20	0.94
	Interest cost	0.56	0.48
	Actuarial (gain)/ loss	2.54	0.54
	Benefits paid	(0.36)	(0.58)
	Present value of defined benefit obligation at the end of the year	12.78	8.81

for year ended 31st March, 2025

₹in crores

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De1 V	fined benefit plans	31st March, 2025	31 <sup>st</sup> March, 2024
V	Movements in fair value of the plan assets  Opening fair value of plan assets	5.80	3.75
	Expected returns on plan assets	0.41	0.28
	Actuarial (gain)/ loss on Plan assets	0.41	
	Contribution from employer	2.20	(0.04)
	Benefits paid	(0.35)	(0.55)
	-	8.08	5.78
/1	Closing fair value of the plan assets  Maturity profile of defined benefit obligation	0.00	5.76
	Within the next 12 months (next annual reporting period)	3.11	2.16
	Between 2 to 5 years	6.56	4.40
		4.60	
	Between 6 to 10 years  Over 10 years	3.74	3.36
/11	-	3.74	3.09
	Quantitative sensitivity analysis for significant assumptions is as below:		
	Increase/(decrease) on present value of defined benefit obligation at the end of the year		
	(i) +100 basis points increase in discount rate	(12.26)	(9.20)
	(i) -100 basis points decrease in discount rate	13.34	8.52
	(iii) +100 basis points increase in rate of salary increase	12.33	9.25
	(iv) -100 basis points decrease in rate of salary increase	(13.25)	(8.46)
	Sensitivity analysis method		
	Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes.		
	The Mortality and Attrition does not have a significant impact on the Liability, hence are not considered a significant actuarial assumption for the purpose of Sensitivity analysis.		
	The assumptions used in preparing the sensitivity analysis is Discount rate at +1% and –1% Salary assumption at +1% and -1%.		
	The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.		
	There is no change in the method from the previous period and the points / percentage by which the assumptions are stressed are same to that in the previous year.		
<b>'</b>	Actuarial Assumptions:	6.81%	7.19%
	Discount rate	6.00% p.a	7.42% p.a
	Expected return on assets	15.00%	6.00%
	Expected rate of salary increase	6.00% p.a	6.00% p.a
	Withdrawal rate	15 %	14 %
	Retirement age	58 years	58 years
	Mortality	Indian Assured	Indian Assured
		Lives Mortality (2012-14) Ultimate	Lives Mortality (2012-14) Ultimate
IX	The weighted-average asset allocations at the year end were as follows:		
	Equities	0.00%	0.00%
	Bonds	0.00%	0.00%
	Gilts	0.00%	0.00%
	Pooled assets with an insurance company	100.00%	100.00%
	Other	0.00%	0.00%
	Total	100.00%	100.00%

for year ended 31st March, 2025

- a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.
- b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- c) The gratuity fund is managed by life insurance Group, details of fund invested by insurer are not available with Group.
- d) The Company expects to make a contribution of ₹ 3.03 crores to the defined benefit plans (gratuity funded) during the next financial year.
- e) The average duration of the defined benefit plan obligation at the end of the reporting period is 5.96 years.

#### Note 43: Contingent liabilities and Commitments

₹ in crores

Sr no	Particulars	31st March, 2025	31st March, 2024
(A)	Contingent liabilities		
	Holding Company		
a)	Sales tax matter under litigation in respect of Company for pending forms and lower allowance on account of Central Quantum Benefit, against which appeal has been filed.	3.24	3.97
b)	Goods and Service Tax matter under litigation	5.60	4.13
c)	Income tax matter under litigation	54.22	45.60
	Subsidiary Company		
a)	Goods and Service Tax matter under litigation	2.57	1.18
(B)	Commitments		
•	Holding Company		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	3.69	1.42
b)	There are no contractual commitment for acquisition of ROU asset as at the reporting date.	-	-
	Subsidiary Company		
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	14.84	22.04
b)	There are no contractual commitment for acquisition of ROU asset as at the reporting date.	-	-

#### Notes:

- i. The Group is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given reporting period.
- ii. The amounts shown above represent the best possible estimates of pending litigations/disputes arrived at on the basis of available information. The above do not include potential risks/demands, if any, for ongoing issues where no claims have been made against the Group.
- iii. Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

for year ended 31st March, 2025

#### Note 44: Disclosure pursuant to Indian Accounting Standard (Ind AS) 24, Related Party Disclosures

#### (i) Names of related parties and nature of relationship:

)e	scription of relationship	Name of the related party
١.	Enterprise where company exercise control	
	Subsidiary company	Bhagyalaxmi Dairy Farms Private Limited
	Subsidiary company	Parag Foods Middle East FZE (w.e.f. 7 <sup>th</sup> January, 2025)
3.	Other related parties	
	Key Management Personnel (KMP)	Mr. Devendra Shah - Chairman
		Mr. Pritam Shah – Managing Director & Interim CFO (w.e.f. from 28th April,2023)
		Ms. Akshali Shah - Executive Director
		Mr. Surendra Malaviya - Interim CFO (till 28 <sup>th</sup> April,2023)
		Mr. Virendra Varma - Company Secretary & Compliance Officer
	Directors	Mr. Nitin R. Dhavalikar - Independent Director
		Ms. Radhika Dudhat - Independent Director
		Mr. Narendra Ambwani - Independent Director
		Mr.Dnyanesh Vishnu Darshane - Independent Director
		Mr. Nikhil Vora - Non Executive Director
	Relative of Key Management Personnel	Mr. Poojan Shah - Son of Mr. Devendra Shah (Chairman)
		Mrs. Priti Shah - Spouse of Mr. Devendra Shah (Chairman)
		Mrs. Netra Shah - Spouse of Mr. Pritam Shah (Managing Director & Interim CFO)
		Mr. Stavan Shah - Son of Mr. Pritam Shah (Managing Director & Interim CFO)
	Entity in which KMP can exercise significant influence	Bharat Trading Company
		SBM Advisors LLP
		Bhagyalaxmi Dairy Farms Private Limited
		Parag Foods Middle East FZE (w.e.f. 7 <sup>th</sup> January, 2025)
		Awasari Infracon Private Limited (w.e.f. 25 <sup>th</sup> February, 2025)
		SHAJ Livewell Nutrient LLP (w.e.f. 13th March, 2025)

#### (ii) Details of transactions between the Company and related parties for the year ended 31st March, 2025:

#### (a) Transaction during the year

₹ in crores

Particulars	31st March, 2025	31st March, 2024
Remuneration to Key Management Personnel and their relatives *		
Devendra Shah	2.40	2.40
Pritam Shah	2.40	2.40
Netra Shah	-	0.06
Akshali Shah	0.86	0.88
Poojan Shah	0.20	0.21
Stavan Shah	0.20	0.21
Virendra Varma (CS)	0.25	0.23
Rent Payment		
Devendra Shah	0.75	0.74
Pritam Shah	0.43	0.42
Priti Shah	0.02	0.02
Netra Shah	0.02	0.02

for year ended 31st March, 2025

#### (a) Transaction during the year

₹in crores

Particulars	31st March, 2025	31st March, 2024
Reimbursment of expenses KMP		
Devendra Shah	0.18	0.09
Pritam Shah	0.26	0.26
Akshali Shah	0.23	0.23
Commission to Directors		
Devendra Shah	1.12	0.95
Pritam Shah	1.12	0.95
Akshali Shah	1.12	0.95
Nitin R. Dhavalikar	0.29	0.22
Radhika Dudhat	0.30	0.22
Narendra Ambwani	0.27	0.20
Dnyanesh Vishnu Darshane	0.27	0.20
Director sitting fees		
Nitin R. Dhavalikar	0.12	0.13
Radhika Dudhat	0.09	0.10
Narendra Ambwani	0.11	0.11
Dnyanesh Vishnu Darshane	0.11	0.11
Share warrants issued/Equity Shares issued		
Akshali Shah	-	2.00

<sup>(\*</sup> The remuneration to the key managerial personnel and their relatives (if any) comprises of only short term benefits and does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Further, the remuneration to key managerial personnel does not include employee stock compensation expense.)

#### (b) Details of balances outstanding as at 31st March, 2025:

₹in crores

Particulars	31st March, 2025	31st March, 2024
Amount Payable to		
Devendra Shah	0.35	0.98
Pritam Shah	0.53	1.77
Akshali shah	0.31	-
Nitin R. Dhavalikar	0.12	0.08
Radhika Dudhat	0.13	0.10
Narendra Ambwani	0.11	0.09
Dnyanesh Vishnu Darshane	0.11	0.09
Poojan Shah	-	0.02
Netra Shah	-	0.06
Priti Shah	-	0.06
Stavan Shah	-	0.02
Virendra Varma (CS)	0.02	0.02
Parag Shah	0.03	-
*Personal guarantee issued by Devendra Shah and Pritam Shah	557.54	467.58

for year ended 31st March, 2025

#### Note 45: Disclosure pursuant to Indian Accounting Standard (Ind AS) 33, Earnings Per Share

Particulars	31st March, 2025	31st March, 2024
Basic earnings per share		
Net profit after tax (₹ in crores) (A)	118.79	90.60
Weighted average number of equity shares oustanding during the year (Nos) (B)	11,91,99,977	11,74,56,657
Basic EPS (Amount in ₹) (A/B)	9.97	7.71
Diluted earnings per share		
Net profit after tax (₹ in crores)	118.79	90.60
Amount of interest debited to statement of profit and loss for convertible bonds (net of tax) (₹ in crores)	-	1.19
Net profit after tax adjusted for the effect of dilution (Rs in crores) (C)	118.79	91.79
Weighted average number of equity shares oustanding during the year (Nos)	11,91,99,977	11,74,56,657
Weighted average number of potential equity shares on account of FCCBs (Nos)	57,23,678	53,28,942
Weighted average number of Equity shares adjusted for the effect of dilution (Nos) (D)	12,49,23,655	12,27,85,599
Diluted EPS (Amount in ₹) (C/D)	9.51	7.47

**Basic:** Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares held as treasury shares.

**Diluted:** Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

#### Note 46: Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Holding company Managing Director & Interim Chief Financial Officer to make decisions about resources to be allocated to the segments and assess their performance. The Holding company is in the business of processing and selling milk and milk products. The Holding company Managing Director & Interim Chief Financial Officer who is identified as Chief Operating Decision Maker (CODM) reviews the performance of the Group on the basis of economic performance for Liquid Milk, Products and Curd. For the purpose of reporting the *operating segments*, all the three segments have been aggregated as a single reporting segment under the provisions of IND AS 108 'Operating Segments' as the nature of products, the production and distribution process, class of customers and the regulatory environment is similar for all the segment. Thus, the segment revenue, segment profit, total segment assets and liabilities are all as reflected in the consolidated financial statements as at and for the years ended 31st March, 2025 and 31st March, 2024.

(a) Revenue from operations		₹in crores
Particulars	31 <sup>st</sup> March, 2025	31st March, 2024
Within India	3,240.70	3,042.02
Outside India	87.48	36.75
Total	3 432 21	3 078 77

- (b) Non-current operating assets
  - All non current assets other than financial instruments, deferred tax assets of the group are located in India
- (c) The group does not have revenues from transactions with a single external customer amount to 10 per cent or more of the total revenues.

for year ended 31st March, 2025

#### Note 47: Biological assets

#### Disclosure pursuant to Indian Accounting Standards (Ind AS) 41, Agriculture

#### **Nature of activities**

The Group's subsidiary biological assets comprises of livestock (dairy cows).

Livestock is measured at fair value less cost to sell, with any resulting gain or loss recognized in the Statement of profit and loss. The Group's subsidiary livestock comprises of both mature and immature livestock.

Immature livestock comprises dairy cows that are intended to be reared to maturity. These cows are held to produce milk or offspring, but have not yet produced their first calf and begun milk production.

Mature livestock includes dairy cows that have produced their first calf and begun milk production.

Other livestock comprises of cows that are going through the dry phase of their life cycle.

Particulars	31st March, 2025	31 <sup>st</sup> March, 2024
		(Headcount in Nos)
Immature cows	1,550	1,429
Mature cows	1,963	1,811
Other cows	327	246
Total	3,840	3,486
Total milk production(In Ltrs)	1,44,66,886	1,30,76,726

The Group's subsidiary is exposed to fair value risks arising from changes in price of raw milk and it does not anticipate that the price of the raw milk will decline significantly in the foreseeable future and the Group's subsidiary is of the view that there is no available derivative or other contracts which the Group's subsidiary can enter into to manage the risk of a decline in the price of the raw milk.

#### Fair Value Measurements (Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, Financial Instruments)

#### Fair value hierarchy

Particulars	31st March, 2025	31st March, 2024	Fair value hierarchy
Livestock (Cow)	87.65	75.83	Level 3

Valuation technique used in the fair value measurement

Particulars	Valuation technique	Significant unobersvable input	Inter-relationship between significant unobservable inputs and fair value measurements
Livestock (milking cows)	The fair values of dairy cows is determined by using the multi-period excess earnings method, which is based on the discounted future cash flows to be generated by such dairy cows.	milking cow  • Estimated milk yield/ milking cow	Estimated feeding cost/ milking cow increase by 1% would reduce the fair valuation by ₹5.17 crore and ₹4.74 crore as of 31st March, 2025 and 2024  Estimated milk yield/ milking cow increase by 1% would increase the fair valuation by ₹2.47 crore and ₹2.59 crore as of 31st March, 2025 and 2024  Estimated weighted average selling price of milk / litre increase by ₹1/ litre would increase the fair valuation by ₹1.9 crore and ₹4.09 crore as of 31st March, 2025 and 2024.  Discount rate increase by 1% would reduce the fair valuation by ₹3.90 crore and ₹3.64 crore as of 31st March, 2025 and 2024.

for year ended 31st March, 2025

#### The Group Subsidiary is exposed to a number of risks relating to its agricultural activities:

#### a) Regulatory and environmental

The Group's subsidiary is subject to various local laws and regulations, and it has established policies and procedures aimed at ensuring compliance with the same.

#### b) Supply and demand

The Group's subsidiary is exposed to the risk arising from fluctuations in milk prices. The Group's subsidiary does not anticipate that the price of the raw milk will decline significantly in the foreseeable future. Further, there are no available derivatives or other contracts available in the market for managing such risk.

#### c) Climate and other risks

The Group's subsidiary livestock is exposed to risk of adverse climatic conditions and diseases etc. The Group's subsidiary has extensive processes in place to address the risk by having an in-house veterinary doctor and dispensary, regular health checkups of livestock cattle.

#### Note 48: Disclosure pursuant to Indian Accounting Standard (Ind AS) 102, Share-Based Payments

The Board of Directors constituted the equity settled Employee Stock Option Plan ("ESOP 2022") vide its resolutions dated 13<sup>th</sup> August, 2022 for issue of 5,00,000 stock options to the key employees of the Company, which has been approved in the Company's Annual General meeting dated 30<sup>th</sup> September, 2022 further ESOP 2022 was amendend in the Annual General meeting dated 27<sup>th</sup> September 2023 by increasing the pool size from erstwhile 5,00,000 Stock Options to 25,00,000 Stock Options. Additionally as per ESOS 2015 approved by member's resolution dated 03<sup>rd</sup> April, 2015 which was further amended vide special resolution dated 16<sup>th</sup> May, 2015 and which was ratified post IPO by the shareholders in the 26<sup>th</sup> AGM held on 19<sup>th</sup> September, 2018 the balance 1,76,015 shares avaliable under ESOS 2015 got transfered to ESOP 2022 vide amended to ESOS 2015

The number of shares allocated for alloctment under ESOP 2022 is 25,00,000 equity shares of ₹10 each (including 1,76,015 shares held by ESOP trust vide amendment to ESOS 2015. The scheme are monitered and supervised by Nomination and Remuneration Committee of the Board of Director in compliance with provision of Securities and Exchange Board of India (Shares Based Employee Benefits & Sweat Equity) Regulation, 2021 and any circulars/notifications/guidance/frequently asked question issued thereunder as amended from time to time. The Employee Stock Option Plan includes employees of Parag Milk Foods Limited and its subsidiaries.

According to ESOP 2022, the employee selected will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions in the scheme. The fair valuation of the option have been computed as per the black scholes pricing model.

Particulars	Vest-1	Vest-2	Vest-3
Date of grant	7 <sup>th</sup> February, 2024		
Vesting Period	1 years	2 Years	3 Years
Vesting %	10.00%	46.00%	44.00%
Exercise Period from the Vesting	7 Years	6 Years	5 Years
Expected Life	4.5 Years	5 Years	5.5 Years
Exercise Price	₹10	₹10	₹10
Fair value using Black Scholes model on grant date	₹ 197.35	₹197.27	₹ 197.18
Weighted Average Fair Value of option as on the grant date	<u> </u>	₹197.24	

Particulars	7 <sup>th</sup> February, 2024
Dividend yield (%)	0.33
Historical volatility	47.87% - 50.76%
Risk-free interest rate (%)	6.98 % - 7.00%
Weighted average share price	₹207.70
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 years - 5.5 years
Life of option remaining in years	1.23 years

for year ended 31st March, 2025

Particulars	Vest-1	Vest-2
Date of grant	23 <sup>rd</sup> July, 2024	
Vesting Period	2 years	3 Years
Vesting %	40.00%	60.00%
Exercise Period from the Vesting	5 Years	5 Years
Expected Life	4.5 Years	5.5 Years
Exercise Price	₹10	₹10
Fair value using Black Scholes model on grant date	₹194.07	₹193.90
Weighted Average Fair Value of option as on the grant date	₹193.97	

Particulars	23 <sup>rd</sup> July, 2024
Dividend yield (%)	0.33
Historical volatility	48.77% - 49.89%
Risk-free interest rate (%)	6.82 % - 6.83 %
Weighted average share price	₹204.41
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 years - 5.5 years
Life of option remaining in years	1.91 years

Particulars (Schedule-1)	Vest-1	Vest-2	Vest-3	Vest-4	Vest-5
Date of grant		11 <sup>th</sup> November, 2024			
Vesting Period	2 years	3 Years	4 Years	5 Years	6 Years
Vesting %	10.00%	15.00%	20.00%	25.00%	30.00%
Exercise Period from the Vesting	5 Years	5 Years	5 Years	5 Years	5 Years
Expected Life	4.5 Years	5.5 Years	6.5 Years	7.5 Years	8.5 Years
Exercise Price	₹10	₹10	₹10	₹10	₹10
Fair value using Black Scholes model on grant date	₹202.99	₹202.86	₹202.70	₹202.50	₹202.29
Weighted Average Fair Value of option as on the grant date			₹ 202.58		

Particulars (Schedule-1)	11 <sup>th</sup> November, 2024
Dividend yield (%)	0.30
Historical volatility	45.38 % - 49.29 %
Risk-free interest rate (%)	6.66 % - 6.74 %
Weighted average share price	₹ 213.25
Exercise price (₹)	10.00
Expected life of options granted in years	4.5 years - 8.5 years
Life of option remaining in years	3.07 years

for year ended 31st March, 2025

Particulars (Schedule-2)	Vest-1	Vest-2	
Date of grant	11 <sup>th</sup> November, 2024		
Vesting Period	1 years	2 Years	
Vesting %	50.00%	50.00%	
Exercise Period from the Vesting	5 Years	5 Years	
Expected Life	3.5 Years	4.5 Years	
Exercise Price	₹10	₹10	
Fair value using Black Scholes model on grant date	₹ 203.10	₹ 202.99	
Weighted Average Fair Value of option as on the grant date	₹203.04		

Particulars (Schedule-2)	11 <sup>th</sup> November, 2024
Dividend yield (%)	0.30
Historical volatility	44.64 % - 45.57 %
Risk-free interest rate (%)	6.63 % - 6.66 %
Weighted average share price	₹ 213.25
Exercise price (₹)	10.00
Expected life of options granted in years	3.5 years - 4.5 years
Life of option remaining in years	3.07 years

The details of activity under ESOP 2022 are summarized below:

₹ in crores

Particulars	31st March,	,2025	31 <sup>st</sup> March, 2024	
	No. of options	WAEP (Rs)	No. of options	WAEP (Rs)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	4,45,000	10.00	-	-
Forfeited/lapsed during the year	10,000	10.00	-	-
Exercised during the year	5,000	10.00	-	-
Exercisable/ Vested during the year	-	-	-	-
Outstanding at the end of the year:	4,40,000	10.00	-	-

#### Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

₹in crores

Particulars	31st March, 2025	31st March, 2024
Employee option plans	0.34	-

for year ended 31st March, 2025

#### Note 49: Statement of net assets and Profit or Loss attributable to owners and non controlling Interest

₹in crores

Name of Entity	Net assets i.e. total assets minus total liabilities		Share in profit or (loss)		Share in other comprehensive income or (Expenses)		Share in total comprehensive income or (Expenses)	
	As % of consolidated net assets	Amount ₹ in crores	As % of consolidated profit or (loss)	Amount ₹ in crores	As % of consolidated other comprehensive Income / (Expenses)	Amount ₹ in crores	As % of consolidated Comprehensive Income or (Expenses)	Amount ₹ in crores
Holding								
Parag Milk Foods Limited	101.60%	1,039.80	104.00%	123.54	97.86%	(1.83)	104.10%	121.71
Subsidiary (Indian)								
Bhagyalaxmi Dairy Farms Private Limited	8.58%	87.84	-4.00%	(4.75)	2.14%	(0.04)	-4.10%	(4.79)
Adjustments arising out of consolidations	-10.18%	(104.23)	0.00%	-	0.00%	-	0.00%	-
Total Net assets / Net profit or (loss) of Group	100.00%	1,023.41	100.00%	118.79	100.00%	(1.87)	100.00%	116.92

#### Note 50: The List of subsidiary included in Consolidated Financial Statements is as under:

Name of the subsidiary company	Principal place of business	Proportion of direct ownership as on 31 <sup>st</sup> March, 2025	Proportion of direct ownership as on 31st March, 2024
Bhagyalaxmi Dairy Farms Private Limited	India	100%	100%

#### **Note 51:**

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year-end, the Group has reviewed all such contracts and confirmed that no provision is required to be created under any law / accounting standard towards any foreseeable loss.

#### Note 52: Additional Regulatory Information (to the extent applicable and reportable)

- a) Details of capital work-in-progress (Refer Note 4A)
- The Group has borrowings from banks on the basis of security of current assets, and the quarterly statements filed by the group with banks for financial year 2024-25 and 2023-24 are in agreement with the books of account.

#### Note 53: Environmental, Social and Governance (ESG)

As a socially and environmentally responsible business, committed to the highest standards of corporate governance, the Group is focused on growing sustainably to build long-term stakeholder value by embracing sustainable development. The Group aims to deliver value to its employees, customers and stake holders.

for year ended 31st March, 2025

#### Note 54: Audit Trail

The Group has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to the accounting software. Further, no instance of audit trail feature being tampered with was noted in respect of the software where audit trail has been enabled & the audit trail has been preserved by the group as per the statutory requirements for record retention.

#### Note 55: Events after the reporting period

The Board of Directors in their meeting on 2<sup>nd</sup> May, 2025 recommended a final dividend of ₹1 (One) per equity share for the financial year ended 31<sup>st</sup> March, 2025. This payment is subject to the approval of shareholders in the Annual General Meeting of the Company and if approved would result in a net cash outflow of approximately ₹11.92 crore. It is not recognised as a liability as at 31<sup>st</sup> March, 2025.

#### Note 56:

Figures of the previous year have been regrouped wherever necessary. The figures have been rounded off to the nearest crore of rupees upto two decimal places. The figure 0.00 wherever stated represents value less than ₹ 50,000.

#### **Note 57:**

Note No. 1 to 57 form integral part of the Standalone Balance Sheet and Standalone Statement of Profit and Loss.

Signatures to Notes 1 to 57

#### **SHARP & TANNAN**

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

For and on behalf of the Board of Directors of

Parag Milk Foods Limited

#### **Edwin Paul Augustine**

Partner Membership No. 043385

#### Devendra Shah

Chairman DIN: 01127319

#### **Pritam Shah**

Managing Director & Interim Chief Financial Officer DIN: 01127247

#### Virendra Varma

Company Secretary & Compliance Officer Membership No. F10520

Place: Mumbai Date: 02<sup>nd</sup> May, 2025

Place: Mumbai Date: 02<sup>nd</sup> May, 2025



Ideas for a new day

#### **CORPORATE OFFICE**

10<sup>th</sup> Floor, Nirmal Building, Nariman Point, Mumbai - 400 021 CIN: L15204PN1992PLC070209

## PARAG MILK FOODS LIMITED

CIN: L15204PN1992PLC070209

Regd. Office: Flat No. 1, Plot No. 19, Nav Rajasthan Soc., Behind Ratna Memorial

Hospital, S.B. Road, Shivaji Nagar, Pune - 411 016, Maharashtra

Website: www.paragmilkfoods.com, E-mail: investors@parag.com

**Tel. No:** 020 4131 4444

### **NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the **33<sup>rd</sup> Annual General Meeting** ('AGM' / 'Meeting') of the Members of Parag Milk Foods Limited ('Company') will be held on Monday, September 29, 2025 at 4.30 P.M. (IST) through Video Conferencing ('VC') / Other Audio Visual Means ('OAVM') to transact the following businesses:

#### **ORDINARY BUSINESS:**

#### Item No. 1 - Adoption of Financial Statements

To receive, consider and adopt:

- a. the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2025 together with the reports of Board of Directors and the Auditors' thereon; and
- b. the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2025 together with the report of the Auditors' thereon.

#### Item No. 2 - Declaration of Dividend

To declare Dividend on equity shares at the rate of 10% i.e. ₹1 (Rupee One) per equity share for the financial year ended March 31, 2025.

# Item No. 3 - Re-appointment of Ms. Akshali Shah (DIN: 06575079) as a Director liable to retire by rotation

To re-appoint Ms. Akshali Shah (DIN: 06575079) as a Director, who retires by rotation and being eligible, offers herself for re-appointment.

# Item No. 4 - Re-appointment of M/s. Sharp & Tannan (Firm Registration No. 109982W), Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013, and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No. 109982W), be and is hereby re-appointed as Statutory Auditors of the Company to hold office for the second term of 5 years i.e. from the conclusion of

this 33<sup>rd</sup> Annual General Meeting till the conclusion of the 38<sup>th</sup> Annual General Meeting to be held in the year 2030, on such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed upon between any of the Executive Directors of the Company and the Statutory Auditor.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) and / or any of the Executive Directors or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

#### **SPECIAL BUSINESS:**

# Item No. 5 - Ratification of Remuneration to Cost Auditors for FY 2025-26

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or reenactment(s) thereof for the time being in force), the remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus taxes as applicable and re-imbursement of out of pocket expenses incurred in connection with the performance of their duties, to be paid to M/s. Harshad S. Deshpande & Associates, Cost Accountants (Firm Registration No. 00378), who have been, pursuant to the recommendation of the Audit Committee, appointed by the Board of Directors as the Cost Auditors to conduct audit of cost records of the Company for the financial year ending March 31, 2026, be and is hereby ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) and / or any of the Executive Directors or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

# Item No. 6 - Appointment of Secretarial Auditor of the Company

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 204 and other applicable provisions, if any, of the Companies Act, 2013, Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), other applicable laws/statutory provisions, if any, as amended from time to time, M/s. N. L. Bhatia & Associates, Practising Company Secretaries (Firm Registration No. P1996MH055800)

be and are hereby appointed as Secretarial Auditor of the Company for term of five consecutive years commencing from financial year 2025-26 till financial year 2029-30, at such fees, plus applicable taxes and other out-of-pocket expenses as may be mutually agreed upon between any of the Executive Directors of the Company and the Secretarial Auditor.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof) and / or any of the Executive Directors or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard."

By Order of the Board of Directors of Parag Milk Foods Limited

**Devendra Shah Chairman**DIN: 01127319

Mumbai May 2, 2025

#### **Registered Office Address:**

Flat No. 1, Plot No. 19, Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar, Pune - 411016, Maharashtra

### **NOTES:**

- The Ministry of Corporate Affairs ('MCA') vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 09/2024 dated September 19, 2024 (collectively referred to as 'MCA Circulars') has permitted the holding of the Annual General Meeting through Video Conferencing / Other Audio Visual Means, without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India ('SEBI') vide its circulars dated May 12, 2020 and subsequent circulars issued in this regard, the latest being October 3, 2024 ('SEBI Circulars') has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). Accordingly, the registered office of the Company shall be deemed to be the venue for the AGM.
- 2. In terms of Section 152 of the Act, Ms. Akshali Shah is liable to retire by rotation at this AGM and being eligible, offers herself for re-appointment.
- 3. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act'), in respect of business to be transacted at the 33<sup>rd</sup> AGM, as set out under Item Nos. 4, 5, and 6 above and the relevant details of the Directors as mentioned under Item No. 3 above as required by Regulation 36(3) of the SEBI Listing Regulations and as required under Secretarial Standard on General Meetings ('SS-2') issued by the Institute of Company Secretaries of India, are annexed hereto.
- 4. The detailed procedure for participating at the Meeting through VC / OAVM is annexed herewith and also available at the Company's website i.e. www.paragmilkfoods.com.
- 5. As the AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- 7. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and the Circulars issued by the MCA, latest being September 19, 2024, the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with

- National Securities Depository Limited ('NSDL') for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-voting system as well as e-voting on the date of the AGM will be provided by NSDL.
- 8. The results of the electronic voting shall be declared to the Stock Exchanges within 2 working days after the conclusion of AGM. The results declared along with the Scrutinizer's Report shall be placed on the Company's website www. paragmilkfoods.com and on the website of NSDL www. evoting.nsdl.com., immediately after declaration of the result and shall also be communicated to the Stock Exchanges where the shares of the Company are listed i.e. BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').
- 9. In case of joint holders attending the AGM, only such joint holder who is higher in the order of the names as per the list of Beneficial Owners as on the closure of business hours on the cut-off date, will be entitled to vote at the Meeting, provided that such shareholder has not cast his / her votes by remote e-voting earlier.
- 10. All the shareholding of the Members of the Company as on date of this Notice is in dematerialized form, hence, the requirement of complying with the procedure / disclosures with regards to physical shareholders are not applicable to the Company.
- 11. The Register of Directors and Key Managerial Personnel ('KMP') and their shareholding, maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and the other relevant documents referred to in the Notice of the AGM and explanatory statement shall be available for inspection during the AGM.
- 12. Relevant documents referred to in the accompanying Notice and the Explanatory Statement pursuant to Section 102 of the Act shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members are requested to write to the Company at cs@parag.com for inspection of the said documents.
- Pursuant to provisions of the Listing Regulations, the Company is maintaining an e-mail ID: investors@parag. com exclusively for quick redressal of members' / investors' grievances.
- 14. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ('IEPF'). In view of this, Members / Claimants are requested to claim their unpaid / unclaimed dividends from Financial Year ('FY') 2017-18 till date, on or before October 20, 2025.

Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company within the stipulated timeline. For details, please refer to Report on Corporate Governance, included in Integrated Annual Report for FY 2024-25. It may be noted that once such unclaimed dividends are transferred on expiry of seven years to the IEPF, no claim shall lie against the Company in respect thereof.

# PROCESS FOR REGISTRATION OF E-MAIL ID FOR OBTAINING COPY OF INTEGRATED ANNUAL REPORT

- 15. In accordance with the MCA & the relevant SEBI Circulars, the Company is sending this AGM Notice along with the Integrated Annual Report for FY 2024-25 in electronic form only to those Members whose e-mail address ('e-mail ID') is registered with the Company / Depositories. The Company shall send the physical copy of the Integrated Annual Report for FY 2024-25 only to those Members who specifically request for the same from their registered e-mail ID at investors@parag.com mentioning their DP ID and Client ID.
- 16. The Notice of AGM along with Integrated Annual Report for FY 2024-25, is available on the website of the Company at www.paragmilkfoods.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www. bseindia.com and www.nseindia.com respectively and this AGM Notice is also available on the website of NSDL (agency for providing the e-voting facility) i.e. www.evoting.nsdl.com.
- 17. In accordance with Regulation 36(1)(b) of SEBI Listing Regulations, the Company is also sending a letter to Members whose e-mail IDs are not registered with the Depository Participant(s) providing the weblink, including the exact path and QR Code for accessing the Notice of 33rd AGM and the Integrated Annual Report for the FY 2024-25.
- 18. Members are requested to intimate any changes pertaining to their name, address, registered e-mail ID, bank details, NECS, mandates, nominations, power of attorney, etc. to their Depository Participant ('DP'). Changes intimated to DP will be automatically reflected in the Company's records.
- The Company has fixed Monday, September 22, 2025 (close of business hours) as the 'Cut-Off Date' / 'Record date' for determining:
  - i) Voting rights of Members with respect to AGM;
  - ii) Entitlement of Members to dividend for the financial year ended March 31, 2025;
  - iii) Attendance at the AGM; and
  - iv) Right to speak & ask queries at the AGM.

#### **DIVIDEND RELATED INFORMATION:**

20. The Board of Directors of the Company at its Meeting held on May 2, 2025 have, *inter-alia*, approved and recommended

- payment of dividend of ₹1 (Rupee One only) per equity share of the face value of ₹10 (Rupees Ten only) each fully paid up for the financial year ended March 31, 2025 ('Dividend'), subject to the approval of shareholders at the AGM.
- 21. Dividend for the financial year ended March 31, 2025, if approved by the Members at the ensuing AGM, will be paid within 30 days from the date of AGM to those members whose names appear in the Register of Beneficial Owners maintained by the Depositories as on the Record Date.
- 22. Members are hereby informed that the bank particulars registered with Registrar & Share Transfer Agent ('RTA' / 'Registrar') or their respective DP, as the case may be, will be considered by the Company for payment of dividend. Members are requested to update their Bank account details if not already registered, as mandated by the SEBI. Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details.
- 23. The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant / bankers' cheque / demand draft to such Members.
- 24. The Company has fixed Monday, September 22, 2025 (close of business hours) as the "Record Date" for determining entitlement of Members to dividend for the financial year ended March 31, 2025.

#### **TDS ON DIVIDEND**

- 25. As per the Income Tax Act, 1961, dividends paid or distributed by the Company after April 1, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source ('TDS') at the prescribed rates from the dividend to be paid to the shareholders, subject to requisite approvals. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.
- 26. A separate e-mail communication would be sent to the members after the date of this Notice informing the relevant procedure to be adopted by them /documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents would be made available on the Company's website at https://www.paragmilkfoods.com/investors.php.
- 27. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming

refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

# PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO INTEGRATED ANNUAL REPORT:

28. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by sending request along with their query in advance from their registered e-mail address mentioning name, DP

- ID & Client ID and mobile no. by emailing at cs@parag.com from 9.00 A.M. (IST) on Monday, September 22, 2025 till 5.00 P.M. (IST) on Wednesday, September 24, 2025. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the AGM.
- 29. The Company will select the speakers on first come first serve basis. The Company reserves the right to restrict the number of questions & number of speakers depending on the availability of time for the AGM.

# INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

The remote e-voting period begins on Friday, September 26, 2025 at 09:00 A.M. (IST) and ends on Sunday, September 28, 2025 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Beneficial Owners as on the close of business hours on the Cut-Off date i.e. Monday, September 22, 2025, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-Off date.

#### How do I vote electronically using NSDL e-voting system?

The way to vote electronically on NSDL e-voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-voting system

#### (A) Login method for e-voting and joining virtual Meeting for Individual Shareholders

In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. For One Time Password ('OTP') based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client ID, Permanent Account Number ('PAN') issued by Income Tax Authority of India, Verification Code and generate OTP. Enter the OTP received on registered e-mail ID / mobile number and click on login. After successfu authentication, you will be redirected to NSDL Depository site wherein you can see the e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting and e-voting during the Meeting.
	2. Existing IDeAS users can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-voting services under Value added services. Click on "Access to e-Voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be re-directed to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting & voting during the Meeting.
	If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp

### Type of shareholders **Login Method** Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www. evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholder / Member / Creditor" section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see the e-voting page. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-voting period or joining virtual Meeting and voting during the Meeting. 4. Shareholders / Members can also download NSDL Mobile App "**NSDL Speede**" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on Google Play App Store Individual User can directly access CDSL e-voting page by providing Demat Account Number and PAN from Shareholders holding e-voting link available on www.cdslindia.com home page. The system will authenticate the user by securities in demat sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful mode with Central authentication, the user will be able to see the e-voting option where the e-voting is in progress and **Depository Services** also able to directly access the system of all e-voting Service Providers. (India) Limited ('CDSL') Alternatively, users who have opted for CDSL Easi / Easiest facility, can login through their existing User ID and Password. The option will be made available to reach the e-voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www. cdslindia.com and click on Login icon & New System Myeasi Tab and then use your existing myeasi Username & Password. 3. After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by the companies. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual Meeting & voting during the Meeting. Additionally, there are also links provided to access the system of all e-voting Service Providers, so that the user can visit the e-voting service providers' website directly. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www. cdslindia.com wherein the users can click on Login and New System Myeasi Tab and then click on registration option.

**Important note:** Members who are unable to retrieve User ID / Password are advised to use Forgot User ID / Forgot Password option available at the abovementioned websites.

e-voting period or joining virtual Meeting & voting during the Meeting.

You can also login using the login credentials of your demat account through your Depository Participant

registered with NSDL / CDSL for e-voting facility. Upon logging in, you will be able to see the e-voting

option. Click on e-voting option, you will be redirected to NSDL / CDSL, Depository site after successful

authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote

Individual

Shareholders (holding

securities in demat

their depository participants

mode) login through

# Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no.1800-21-09911

#### (B) Login Method for e-voting and joining virtual Meeting for shareholders other than Individual Shareholders

How to Log-in to NSDL e-voting website?

- Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Alternatively, shareholders holding shares with CDSL may log in through https://www.evotingindia.com/
- 2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
- 3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. Cast your vote electronically.
- 4. Your User ID details are given below:

	Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is
a)	For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID. For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID. For example, if your Beneficiary ID is 12************************************

- 5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your e-mail ID is registered in your demat account, your 'initial password' is communicated to you on your e-mail ID. Trace the e-mail sent to you from NSDL from your mailbox. Open the e-mail and open the

- attachment i.e. the Portable Document Format ('PDF') file. The password to open the PDF file is your 8 digit Client ID in case the shares are held with NSDL and last 8 digits of Client ID in case the shares are held with CDSL. The PDF file contains your 'User ID' and your 'initial password'.
- (ii) If your e-mail ID is not registered, please follow steps mentioned below in process for those shareholders whose e-mail IDs are not registered.
- 6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) For Shareholders holding shares with NSDL, click on "Forgot User Details / Password?" option available on www.evoting.nsdl.com under "Shareholder / Member / Creditor" tab. For Shareholders holding

- shares with CDSL, click on "Forgot Password" option available on www.evotingindia.com under "Shareholders / Members" tab.
- b) If you are still unable to get the password by above mentioned option, you can send a request at evoting@nsdl.com mentioning your complete 16 digit demat account number, your PAN, your name and your registered address, etc. from your registered e-mail ID.
- c) Members can also use the OTP based login for casting the votes on the e-voting system of NSDL as mentioned in detail above.
- 7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- 8. Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-voting will open.

# Step 2: Cast your vote electronically and join the Meeting on NSDL e-voting system

How to cast your vote electronically and join the Meeting on NSDL e-voting system?

- 1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and the Meeting is in active status.
- 2. Select "EVEN" of company for which you wish to cast your vote during the remote e-voting period and casting your vote during the Meeting. For joining virtual Meeting, you need to click on "VC / OAVM" link placed under "Join Meeting" tab.
- 3. Now you are ready for e-voting as the Voting page opens.
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- 5. Upon confirmation, the message "Vote cast successfully" will be displayed.
- 6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- 7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

- The Company has appointed Mr. Bharat R. Upadhyay (FCS No. 5436 and CP No. 4457), failing him, Mr. Bhaskar Upadhyay (FCS No. 8663 and CP No. 9625) from M/s. N.L. Bhatia & Associates, Practicing Company Secretaries, to act as the Scrutinizer, to scrutinize the entire e-voting process in a fair and transparent manner.
- Corporates / Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) who are Members of the Company, are encouraged to attend and vote at the AGM through

- VC / OAVM facility. Corporate / Institutional Investors who are intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM and to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at bhaskar@ nlba.in with a copy marked to evoting@nsdl.com and cs@ parag.com. The said Corporates / Institutional shareholders can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution/ Authority Letter" displayed under "e-Voting" tab in their login.
- 3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details / Password?" option available on www.evoting.nsdl.com to reset the password.
- 4. In case of any queries, you may refer the Frequently Asked Questions ('FAQs') for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on 022 - 4886 7000 or send a request to Mr. Sagar S. Gudhate, Senior Manager at evoting@ nsdl.com

# Process for those shareholders whose e-mail IDs are not registered with the depositories for procuring user ID and password and registration of e mail IDs for e-voting on the resolutions set out in this Notice:

- 1. Members are requested to send the DP ID & Client ID [i.e. 16 digit DPID + Client ID (NSDL) or 16 digit beneficiary ID (CDSL)], Name, Client Master or copy of Consolidated Account Statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self attested scanned copy of Aadhaar Card) at evoting@nsdl.com along with the copy to cs@parag. com. If you are an Individual Shareholder, you are requested to refer to the login method explained at Step 1 (A) i.e. Login method for e-voting and joining virtual Meeting for Individual shareholders holding securities in demat mode.
- 2. Alternatively, shareholders / members may send a request to evoting@nsdl.com for procuring user ID and password for e-voting by providing above mentioned documents.
- 3. In terms of SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and e-mail ID correctly in their demat account in order to access e-voting facility.

# INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:

 The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

- Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system at the AGM.
- Members who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-voting on the day of the AGM shall be the same person mentioned for remote e-voting.

# INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-voting system. Members may access by following the steps mentioned above under the heading "Access to NSDL e-voting system". After successful login, you can see link of "VC / OAVM" placed under "Join Meeting" tab against company name. You are requested to click on VC / OAVM link placed under Join Meeting tab. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned in the notice to avoid last minute rush.

- Members are encouraged to join the Meeting through Laptops for better experience.
- Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the Meeting.
- 4. Please note that Participants connecting from Mobile Device or Tablet or through Laptop connected via Mobile Hotspot may experience audio / video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- 5. Shareholders who would like to express their views / have questions may send their questions in advance mentioning their name, demat account number, e-mail ID, mobile number at investors@parag.com. The same will be replied by the company suitably.
- 6. For convenience of Members and proper conduct of AGM, Members can join the AGM in the VC / OAVM mode 15 (fifteen) minutes before the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors, etc. who are allowed to attend the AGM without restriction on account of first come first serve basis.

# EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('Act')

This Explanatory Statement is annexed to the Notice convening the 33<sup>rd</sup> Annual General Meeting to be held on Monday, September 29, 2025. The following Explanatory Statement sets out all the material facts relating to the Item Nos. 4 to 6, of the accompanying Notice dated May 2, 2025:

# Item No. 4 - Re-appointment of M/s. Sharp & Tannan (Firm Registration No. 109982W), Chartered Accountants as the Statutory Auditors of the Company and to fix their remuneration

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

The Members at the 28<sup>th</sup> Annual General Meeting ('AGM') of the Company held on September 29, 2020, had approved the appointment of M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No. 109982W), as Statutory Auditors of the Company for a period of 5 years commencing from the conclusion 28<sup>th</sup> AGM until conclusion of the 33<sup>rd</sup> AGM to be held in the year 2025. Accordingly, M/s. Sharp & Tannan would be completing their first term of five years at the conclusion of this 33<sup>rd</sup> AGM.

In accordance with the provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Company can appoint or re-appoint an audit firm as Statutory Auditors for not more than two terms of five consecutive years. M/s. Sharp & Tannan is eligible for re-appointment for a further period of five years.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company has, based on the recommendation of the Audit Committee, at its meeting held on May 2, 2025, proposed the re-appointment of M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No. 109982W), as the Statutory Auditors of the Company, for a term of five consecutive years from the conclusion of 33rd AGM till the conclusion of 38th AGM of the Company to be held in the year 2030, on such remuneration plus applicable taxes and outof-pocket expenses, as may be mutually agreed upon between any of the Executive Directors of the Company and the Statutory Auditor. M/s. Sharp & Tannan, founded in 1935, has grown from a small practice in Mumbai to one of India's leading full-service accounting and consulting firms. Now with 10 offices, over 500 employees, and 22 partners, the Firm offers expertise in audit, assurance, GRC, taxation and business consulting, serving some of the country's largest businesses. Rooted in a legacy of trust, integrity and professionalism, M/s. Sharp & Tannan continues to deliver tailored solutions of collective experience and deep local and global insights.

M/s. Sharp & Tannan has consented to their appointment and confirmed that their appointment if made, would be in accordance with Section 139 read with Section 141 of the Act. M/s. Sharp & Tannan has also confirmed that they have subjected themselves to the peer-review process of the Institute of Chartered Accountants of India ('ICAI') and hold a valid certificate issued by the 'Peer Review Board of ICAI'.

Based on the recommendation made by the Audit Committee, after assessing the performance of M/s. Sharp & Tannan and considering their experience and expertise, the Board recommends the re-appointment of M/s. Sharp & Tannan as Statutory Auditors for the second term of 5 years, as set out in the Resolution no. 4, for approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, is in any way concerned or interested financially or otherwise in this resolution.

# Item No. 5 - Ratification of Remuneration to Cost Auditors for FY 2025-26

The Board in its Meeting held on May 2, 2025, on the recommendation of the Audit Committee, has approved the appointment of M/s. Harshad S. Deshpande & Associates, Cost Accountants (Firm Registration No. 00378) as the Cost Auditors, to conduct the audit of cost record of the Company for the FY 2025-26 at a remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum plus taxes as applicable and reimbursement of out of pocket expenses, if any. M/s. Harshad S. Deshpande & Associates, Cost Accountants, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company and confirmed that they are not disqualified under the provisions of Section 148(5) of the Act.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors is required to be ratified by Members of the Company. Accordingly, Members are requested to ratify the remuneration payable to Cost Auditors for financial year ending March 31, 2026, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

The Board recommends the resolution for the approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, is in any way concerned or interested financially or otherwise in this resolution.

# Item No. 6 - Appointment of Secretarial Auditors of the Company

The Board at its meeting held on May 2, 2025, after evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., has approved the appointment of M/s. N. L. Bhatia & Associates, Practising Company Secretaries, a peer reviewed firm (Firm Registration No. P1996MH055800) as Secretarial Auditors of the Company for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, subject to approval of the Members.

The appointment of Secretarial Auditors shall be in terms of the amended Regulation 24A of the SEBI Listing Regulations vide SEBI Notification dated December 12, 2024 and provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

M/s. N.L. Bhatia & Associates, founded in 1996 by Mr. Navnit Lal Bhatia, is a reputed firm of Practising Company Secretaries with 30 years of firm experience and over 60 years of collective expertise among its partners. The firm has a diverse clientele across

several industries including financial services, manufacturing, IT, e-commerce, healthcare and more. The firm has demonstrated in-depth experience in Secretarial Audit, Corporate Governance, Regulatory Compliance and related areas.

M/s.N.L.Bhatia & Associates has confirmed that it is not disqualified and is eligible to be appointed as Secretarial Auditors in terms of Regulation 24A of the SEBI Listing Regulations. The services to be rendered by M/s. N.L. Bhatia & Associates as Secretarial Auditors is within the purview of the said regulation read with SEBI circular no. SEBI/ HO/CFD/CFD-PoD-2/CIR/P/2024/185 dated December 31, 2024.

After evaluating and considering various factors such as industry experience, competency of the audit team, efficiency in conduct of audit, independence, etc., the Board of Directors of the Company at its meeting held on May 2, 2025, proposed the appointment of M/s. N. L. Bhatia & Associates as Secretarial Auditors of the Company, for a term of five consecutive years commencing from FY 2025-26 till FY 2029-30, on such remuneration plus applicable taxes and out-of-pocket expenses, as may be mutually agreed upon between any of the Executive Directors of the Company and the Statutory Auditor.

The Board recommends the resolution for the approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, is in any way concerned or interested financially or otherwise in this resolution.

By Order of the Board of Directors of Parag Milk Foods Limited

Mumbai May 2, 2025 Devendra Shah Chairman DIN: 01127319

#### **ANNEXURE 1**

Brief resume of Director seeking Re-appointment at the 33<sup>rd</sup> Annual General Meeting of the Company pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India

Name of the Director	Ms. Akshali Shah
Director Identification No.	06575079
Age	34 years
Date of first appointment on Board	December 25, 2022
Relationship with Director and Key Managerial Personnel	Daughter of Mr. Devendra Shah (Chairman) and Niece of Mr. Pritan Shah (Managing Director)
Qualification	MBA degree in Family Managed Business from S. P. Jain Institute o Management & Research, Mumbai
Brief Resume, Experience and Nature of expertise in specific functional areas	Ms. Akshali Shah has more than 12 years of rich experience with the Company. She has played an instrumental role in the journey of transformation of the Company from being a Dairy to a leading FMCG company with product, innovation focusing on health 8 nutrition. Ms. Shah has transformed the Company into a technology driven FMCG company. Her expertise in marketing has beer game changer in strengthening the brand building and innovation. She has been awarded and appreciated in multiple forums as an entrepreneur and inspiring women.
Shareholding in the Company	20,00,000 Equity Shares
Directorship held in other Listed Companies along with listed entities from which the person has resigned in the past 3 years	NIL
Directorship other than Listed Companies	1. Bhagyalaxmi Dairy Farms Private Limited
	2. Parag Foods Middle East FZE
Chairmanship/ Membership of Committees of other Boards	NIL
No. of Board Meetings of Company attended during FY 2024-25	4
Terms and conditions of appointment and re-appointment	As per Nomination and Remuneration Policy of the Company as displayed on the Company's website at www.paragmilkfoods.com.
	Ms. Shah is being re - appointed as an Executive Director, liable to retire by rotation.
Remuneration sought to be paid	Remuneration as may be approved by the Board of Directors of shareholders, from time to time, in accordance with the applicable provisions of law. The detailed criteria is available in the Nomination and Remuneration Policy of the Company.
Remuneration last drawn (during the year)	The details pertaining to the remuneration is provided in the Corporate Governance Report section of the Integrated Annua Report 2024 - 25.
In case of the Independent Director, skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable.