

MILKFOOD LIMITED

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CIN : L15201PB1973PLC003746 GST : 07AAACM5913B1ZY

MFL\SCY\2025-26
The Manager (Listing)
The BSE Limited
1st Floor, New Trading Ring,
Rotunda Building
P J Towers, Dalal Street,
Fort, Mumbai-400 001

29th August, 2025

Sub: Annual Report for the F.Y. 2024-25
Scrip Code No.: 507621

Dear Sir,

Pursuant to Regulation 34(1)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Annual Report of the Company for the financial year ended 31st March, 2025.

The same is for your information and records.

Thanking you.

Yours faithfully,
For MILKFOOD LIMITED


(Rakesh Kumar Thakur)
Company Secretary



Encl: As above

milkfood

Regd. Office : P.O. Bahadurgarh-147021 Distt. Patiala (Punjab)

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MILKFOOD LIMITED

Annual Report

For the year ended 31st March, 2025

The Milkfood logo consists of a dark blue oval with the word "milkfood" written in white lowercase letters.

milkfood

BOARD OF DIRECTORS

GITA BAWA
SUDHIR AVASTHI
HARMESH MOHAN SOOD
ANIL GIROTRA
PREETI MATHUR
NAMITA SWAIN

AUDITORS

Madan & Associates
Chartered Accountants
New Delhi

BANKERS

State Bank of India
Canara Bank

REGISTERED OFFICE

Bahadurgarh
Distt. Patiala-147021
(Punjab)

WORKS

Bahadurgarh
Distt. Patiala-147021
(Punjab)

Village Agwanpur
Kanth Road,
Moradabad-244001
(Uttar Pradesh)

HEAD OFFICE

Bhandari House
91, Nehru Place
New Delhi-110 019

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DIRECTORS' REPORT

TO THE MEMBERS

The Directors present their 52nd Report together with Audited Financial Statements of the Company for the financial year ended 31st March, 2025.

1. FINANCIAL SUMMARY AND HIGHLIGHTS

	Rs./Lakhs 2024-25	Rs./Lakhs 2023-24
Revenue from Operations & Other Income	44,964	44,632
Profit before Finance cost, Depreciation & amortisation and Tax	2,551	2,907
Less: Finance Cost	1,083	1,353
Profit before Depreciation & amortisation and Tax	1,468	1,554
Less: Depreciation & amortisation Expenses	710	672
Profit /(Loss) before Tax	758	882
Tax expense/ (credit) (net)		
- Current tax	154	227
- Tax adjustment for earlier year	2	(100)
- MAT credit utilised/ (recognised)	36	(177)
- Deferred tax Charged/ (Credit)	114	220
Total Tax Expenses/(Credit)	306	170
Profit /Loss for the period	452	712
Other Comprehensive income	13	(17)
Transferred to Retained Earnings	465	695

2. OPERATIONS

During the period under Report, the Company's sales and other income are Rs. 44,964/- lakhs and cash profit is Rs.1,468/- lakhs as compared to last year's figures of Rs. 44,632/- lakhs and cash profit of Rs. 1554/- lakhs respectively. After depreciation and amortization, the profit for the year is Rs.758/- lakhs as compared to the previous year profit of Rs.882/- lakhs respectively.

3. DIVIDEND

Pursuant to the approval of the Board of Directors on 25th June, 2024, the Company has paid an interim dividend @ Rs.2.50/- per equity share of the face value of Rs. 10/- each to the Shareholders who were on the register of members as on 05th July, 2024, being the Record Date fixed for this purpose. Interim Dividend absorbed a sum of Rs.1,52,36,363/- (Rupees One Crore Five Two Lakhs Thirty-Six Thousand Three Hundred and Sixty-Three Only) out of the net profits after tax for the financial year 2024-25.

4. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year under review, there was no material change in the nature of business of the Company.

5. FIXED DEPOSITS

Your Company has not invited or accepted any fixed deposits under Section 73 of the Companies Act, 2013 during the year.

6. SUBSIDIARY COMPANY AND CONSOLIDATED FINANCIAL STATEMENTS

During the year under review, M/s. MFL Trading Private Limited continues to be the wholly owned subsidiary company of the Company.

In compliance with provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has prepared consolidated financial statements as per the Accounting Standards on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India. The audited consolidated financial statements along with the Auditors' Report thereon forms part of this Annual Report.

During the year, the Board of Directors (the Board) has reviewed the affairs of the Subsidiary. Further, a statement containing the salient features of the financial statements of subsidiary in the prescribed format AOC-1 is appended as “Annexure-1” to the Board’s Report.

In accordance with Section 136 of the Companies Act, 2013, the audited financial statements, including the consolidated financial statements and related information of the Company and audited financial statements of its subsidiary, are available on the Company’s website at www.milkfoodltd.com.

The Company has no material subsidiary company but in order to comply with the Listing Regulations, the Company has adopted a Policy on Material Subsidiary Companies and has uploaded on the Company’s website at www.milkfoodltd.com.

7. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the period under review, the Company has not made any loan, guarantee or investment in terms of provisions of Section 186 of the Companies Act, 2013.

8. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and to the date of this Report except as following:

DISCLOSURES WITH RESPECT TO SCHEME OF AMALGAMATION:

The Board of Directors in its meeting held on 5th October, 2020, approved the scheme of Amalgamation between M/s Triputi Infrastructure Private Limited (Transferor Company) with M/s Milkfood Limited (Transferee Company).

The NCLT, Chandigarh Bench has approved the Scheme of Amalgamation of M/s Triputi Infrastructure Private Limited with M/s Milkfood Limited vide its Order pronounced on 16th April, 2024 and a certified copy of the Order was received on 9th May, 2024.

9. DIRECTORS

Mrs. Preeti Mathur, Non-Executive Non-Independent Director (DIN: 07951647) retires by rotation and, being eligible, offer herself for re-appointment as the Director of the Company. The Board recommends her re-appointment.

Appointment of Independent Director:

Based on the recommendations of the Nomination and remuneration Committee, the Board at its Meeting held on 12th August, 2025, *inter alia*, considered and approved with effect from 12th August, 2025, the appointment of Mrs. Jyotsna Bhatnagar (DIN:11147240) as an Additional Director of the Company to hold office up to the date of ensuing Annual General Meeting of the Company.

Further, Mrs. Jyotsna Bhatnagar has been appointed as an Independent Non-Executive Director, not liable to retire by rotation, who meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for a term of 5 (five) consecutive years commencing from 12th August, 2025 to 11th August, 2030.

Mrs. Jyotsna Bhatnagar has given consent for her appointment as the Director (Independent & Non-Executive Director) of the Company.

The Board of Directors also feel that her appointment is in the interest of the Company. The Board recommends her appointment at the ensuing AGM.

In terms of section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Mrs. Jyotsna Bhatnagar has confirmed that she has registered herself with the databank maintained by Indian Institute of Corporate Affairs, Manesar (“IICA”).

Re-appointment of Mr. Sudhir Avasthi as Managing Director

Pursuant to the recommendations of the Nomination and remuneration Committee, the Board at its Meeting held on 12th August, 2025, approved the re-appointment of Mr. Sudhir Avasthi as the Managing Director of the Company for a period of 5 years commencing from 1st July, 2026 to 30th June, 2031 (both days inclusive), not liable to retire by rotation, notwithstanding that Mr. Avasthi will attain the age of seventy years on 23rd day of April, 2026. The Board recommends his re-appointment.

Mr. Harmesh Mohan Sood continues to hold the office as Non-Executive Non-Independent Director of the Company.

Mrs. Gita Bawa, Mr. Anil Girotra and Mrs. Namita Swain continue to hold the office as the Non-Executive Independent Directors of the Company.

The Board of Directors of the Company is of the opinion that all the Independent Directors of the Company possess relevant expertise and experience required to best serve the interest of the Company.

10. DECLARATION OF INDEPENDENCE

All the Independent Directors have given declaration that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 read with Regulation 16(b) of the Securities and Exchange Board of India

(Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Independent Directors have confirmed the compliances of relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014 as amended from time to time.

11. FORMAL LETTER OF APPOINTMENT TO INDEPENDENT DIRECTORS

The Company has issued the formal letter of appointment to all the Independent Directors in the manner as provided under the Companies Act, 2013 and the terms and conditions of their appointment have been disclosed on the website of the Company at www.milkfoodltd.com.

12. MEETINGS OF THE BOARD OF DIRECTORS

During the year under review, eleven (11) Board meetings and One (1) separate meeting of the Independent Directors were convened and held. The details of these meetings are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

13. FAMILIARIZATION PROGRAMMES FOR INDEPENDENT DIRECTORS

The Company has a policy of conducting familiarization programmes for Independent Directors in order to familiarize them with the Company, their roles, rights, responsibilities in the Company and nature of the industry in which the Company operates etc. The details of such Policy have been given on the website of the Company at www.milkfoodltd.com.

14. COMMITTEES

As per the provisions of Section 177, 178 and 135 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted an Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee. The Composition of these Committees and details of their meetings are given in the Corporate Governance Report.

15. KEY MANAGERIAL PERSONNEL

In pursuance of the provisions of Section 2(51) and Section 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following are the Key Managerial Personnel of the Company as on date:

- (a) Mr. Sudhir Avasthi, Managing Director
- (b) Mr. Sanjeev Kothiala, Chief Financial Officer.
- (c) Mr. Rakesh Kumar Thakur, Company Secretary and Compliance Officer.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (c) read with Section 134(5) of the Act, your Directors confirm that:

- (a) in the preparation of Annual Accounts for the year ended March 31, 2025, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- (b) 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 that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts of the Company on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

17. CHANGES IN THE SHARE CAPITAL OF THE COMPANY:

Authorised Share Capital

Pursuant to the Scheme of Amalgamation of M/s. Triputi Infrastructure Private Limited (Transferor Company) with M/s. Milkfood Limited (Transferee Company) and their respective shareholders and Creditors (the Scheme), as approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") vide its Order dated 16th April, 2024, the Company has increased its Authorised Share Capital from existing Rs. 20,00,00,000/- (Rupees Twenty Crore) divided into 1,95,00,000 (One Crore Ninety-Five Lakhs) Equity Shares of Rs.10/- each and 50,000 (Fifty Thousand) Cumulative Redeemable Preference Shares of Rs.100/- each to Rs. 34,50,00,000/- (Rupees Thirty-Four Crores and Fifty Lakhs only) divided into

3,40,00,000 (Three Crore Forty Lakhs) Equity Shares of Rs.10/- each and 50,000 (Fifty Thousand) Cumulative Redeemable Preference Shares of Rs.100/- each.

Further, during the year under review, the Company has sub- divided each existing equity share of face value of Rs.10/- (Rupees Ten only) each into Two (2) equity shares of face value of Rs. 5/- (Rupees Five only) each, fully paid-up, ranking pari-passu in all aspects and without altering the aggregate amount of paid-up share capital and consequently Clause V of the Memorandum of Association of the Company was altered and replaced with the following Clause:

“The Authorised Share Capital of the Company is Rs. 34,50,00,000/- (Rupees Thirty-Four Crores and Fifty Lakhs only) divided into 6,80,00,000 (Six Crore Eighty Lakhs) Equity Shares of Rs. 5/- (Rupee Five only), each and 50,000 (Fifty Thousand) Cumulative Redeemable Preference Shares of Rs. 100/- each.”

Issued, Subscribed and Paid-up Share Capital

Pursuant to the Scheme of Amalgamation of M/s. Triputi Infrastructure Private Limited (Transferor Company) with M/s Milkfood Limited (Transferee Company) and their respective shareholders and Creditors (the Scheme), as approved by the Hon'ble National Company Law Tribunal, Chandigarh Bench (“NCLT”) vide its Order dated 16th April, 2024, the Board of Directors at their meeting held on 25th April, 2024 has approved the allotment of 9,66,690 (Nine Lakh Sixty-Six Thousand Six Hundred and Ninety) Equity Shares of Rs. 10/- to the eligible Shareholder, Mr. Karamjit Jaiswal of the Transferor Company, in the ratio of 69 Equity Shares of Rs. 10/- each fully paid up of the Company for every 1000 (One Thousand) Equity Shares of Rs. 10/- each held of the Transferor Company. Further, the Company has applied for listing of 9,66,690 Equity Shares with BSE Limited on 2nd May, 2024 and BSE Limited granted the listing and trading approval of these shares vide Letters dated 03.06.2024 and 14.06.2024 respectively.

Further, during the year under review the Company has issued bonus equity shares of Rs. 5/- each in the proportion of 1 (One) new fully paid-up equity share of Rs. 5/- each for every 1 (One) existing fully paid-up equity share of Rs. 5/- each held by the members of the Company and that the new bonus equity shares so issued and allotted shall, for all purposes, be treated as an increase in the paid-up capital of the Company held by each such Member.

As on date, the paid-up share capital of the Company is Rs. 12,18,90,900/- (Rupees Twelve Crore Eighteen Lakh Ninety Thousand and Nine Hundred only) divided into 2,43,78,180 (Two Crore Forty-Three Lakh Seventy-Eight Thousand One Hundred and Eighty only) Equity Shares of Rs.5/- each fully paid up.

18. AUDITORS

18.1 STATUTORY AUDITORS

The members at their 49th Annual General Meeting (AGM) of the Company held on 28th September, 2022 appointed M/s Madan & Associates, Chartered Accountants, New Delhi (FRN 000185N) as the Statutory Auditors of the Company to hold the office for a term of five years i.e. from the conclusion of 49th Annual General Meeting until the conclusion of the 54th Annual General Meeting of the Company to be held in the calendar year 2027.

M/s Madan & Associates, Chartered Accountants have submitted a certificate, confirming their eligibility and qualification to continue as Statutory Auditors of the Company in accordance with Section 141 read with Section 144 of the Companies Act, 2013.

The Companies Amendment Act, 2017 (Vide Notification dated 7th May, 2018 issued by the Ministry of Corporate Affairs) has dispensed with the requirement of ratification of Auditor's appointment by the shareholders every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting.

18.2 AUDITORS' REPORT

The Auditors' Report on the Standalone and Consolidated financial statements of the Company for the financial year ended March 31, 2025 is unmodified i.e. it does not contain any qualification, reservation or adverse remark. Notes to accounts are self-explanatory and form an integral part of Financial Statements.

18.3 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mrs. Kamlesh Gupta, Company Secretary in practice has been appointed as the Secretarial Auditor to carry out the Secretarial Audit of secretarial and related records of the Company for the financial year ended on 31st March, 2025.

The Secretarial Audit Report issued by the aforesaid Secretarial Auditor in Form No. MR-3 forms part of this report and is annexed herewith as “Annexure-2”.

Further, in terms of the SEBI (Listing Obligations & Disclosure Requirements) (Third Amendment) Regulation, 2024, the Board on recommendations of the Audit Committee has recommended to shareholders, the appointment of Mrs. Kamlesh Gupta, as the Secretarial Auditors of the Company for a term of five consecutive financial years commencing from 01st April, 2025 till 31st March, 2030. A resolution seeking shareholders' approval for the appointment

of Ms. Kamlesh Gupta, Practising Company Secretary as the Secretarial Auditor has been included in the Item No. 7 of Notice of the ensuing 52nd AGM of the Company.

18.4 ANNUAL SECRETARIAL COMPLIANCE REPORT

Annual Secretarial Compliance Report for the financial year ended 31st March, 2025 on the compliances of all applicable SEBI Regulations and circulars/ guidelines issued thereunder, was obtained from Mrs. Kamlesh Gupta, Company Secretary in practice, Secretarial Auditor, and submitted to the stock exchange.

18.5 INTERNAL AUDITORS

M/s. Rajeev Pankaj and Associates, Chartered Accountants (Registration No. 033717N), continue to be the Internal Auditors of the Company to perform the functions of internal audit.

18.6 COST AUDITORS

The Company is required to maintain cost records as specified by the Central Government as per Section 148(1) of the Companies Act, 2013 (**"the Act"**) and the rules framed thereunder, and accordingly, the Company has made and maintained such cost accounts and records.

The Board on recommendations of the Audit Committee has appointed M/s HMVN & Associates, Cost Accountants (Firm Registration No.000290), as the Cost Auditors for auditing the cost records of your Company, for the financial year 2025-26. The Company has received their written consent and confirmation that the appointment will be in accordance with the applicable provisions of the Act and rules framed thereunder.

The remuneration payable to Cost Auditors has been approved by the Board of Directors on the recommendations of the Audit Committee and in terms of the Act and Rules therein. The Members are therefore requested to ratify the remuneration payable to M/s HMVN & Associates as set out in the Notice convening the ensuing Annual General Meeting.

The Company will file the cost audit report for the Financial Year ended 31st March, 2025, with the Central Government on or before the due date.

18.7 REPORTING OF FRAUD BY AUDITORS

During the year under review, the Statutory Auditors, Cost Auditors, Internal Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its officers or employees under Section 143(12) of the Companies Act, 2013.

19. NOMINATION AND REMUNERATION POLICY

The Board on the recommendations of the Nomination & Remuneration Committee has framed a Policy for the selection and appointment of directors, key managerial personnel and also for determining the criteria of their remuneration. The Remuneration Policy has been stated in the Corporate Governance Report and is uploaded on the Company's website at http://www.milkfoodltd.com/img/downloads/Milkfood_Nomination_Remuneration_Policy.pdf

20. RISK MANAGEMENT POLICY

Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has formulated a Risk Management Policy. The Company is aware of the risks associated with the business of the Company. The Board regularly analyses and takes corrective actions for managing / mitigating the risks.

At present, the Company has not identified any element of risks which may threaten the existence of the Company.

21. PERFORMANCE EVALUATION

In terms of the requirements of the Act and Listing Regulations, a separate exercise was carried out to evaluate the performance of all the individual Directors on the Board who were evaluated on parameters such as level of engagement, contribution and independence of judgment thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board (excluding the Directors being evaluated). The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. The Board also carried out annual performance evaluation of the working of its committees. The Directors expressed their satisfaction with the evaluation process.

Some of the key criteria for the performance evaluation are as follows –

Performance evaluation of Directors:

1. Attendance at the Board/Committee meetings.
2. Contribution at the Board/Committee meetings.
3. Guidance/support to management outside Board/Committee meetings.

Performance evaluation of Board and Committees:

1. Degree of fulfillment of key responsibilities.
2. Board Structure and Composition.
3. Quality of relationship between Board and Management.
4. Efficacy of communication with external shareholders.
5. Effectiveness of Board process, information and functioning.

22. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No complaint has been received during the year under review.

23. COMPLIANCE OF MATERNITY BENEFIT ACT, 1961

The Company is committed to providing a supportive and inclusive workplace for all employees. In line with the provisions of the Maternity Benefit Act, 1961, the Company ensures that all eligible women employees are granted paid maternity leave and other prescribed benefits. During the year under review, no women employees availed maternity leave. The Company also provides flexible working arrangements and nursing breaks to support employees in balancing work and family responsibilities.

24. CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in “**Annexure-3**” of this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. For other details regarding the CSR Committee, please refer to the Corporate Governance Report, which is a part of this report. The policy is available on http://www.milkfoodltd.com/img/downloads/Milkfood_Corporate_Social_Responsibility_Policy.pdf

25. CORPORATE GOVERNANCE REPORT

A detailed Report on Corporate Governance forms an integral part of Annual Report and is set out as a separate section therein. A certificate from the Practicing Company Secretary, regarding the compliances with the conditions of corporate governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed to the Directors' Report.

26. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of provisions of Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis Report have been given separately and forms part of this Report.

27. INFORMATION UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The shares of your Company are listed at the BSE Ltd. vide Stock Code: 507621. The listing fee for the financial year 2025-26 has been paid.

28. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are annexed herewith as “**Annexure- 4**”.

29. ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the Annual Return referred to in Section 92(3) of the Act read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the draft Annual Return in e-form MGT-7 for the financial year ended 31st March, 2025 is available on the Company's website at www.milkfoodltd.com

30. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197(12) read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten employees in terms of remuneration drawn and their other particulars, also form part of this Report. However, the Report and the financial statements are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the

Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

Disclosures pertaining to remuneration and other details as required u/s 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of the Managerial Personnel) Rules, 2014 are provided as per “Annexure-5”.

31. RELATED PARTY TRANSACTIONS

All related party transactions which were entered into during the financial year were on arm’s length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with Promoters, Key Managerial Personnel or other designated persons which may have potential conflict of interest with the Company at large. A disclosure in form AOC-2 is annexed with this Report as “Annexure-6”.

All related party transactions have been disclosed in **Note 34** of the financial statements.

All Related Party Transactions are placed before the Audit Committee and also the Board for approval. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. The transactions entered into pursuant to the omnibus approval so granted and a statement giving details of all Related Party Transactions are placed before the Audit Committee for its review on a quarterly basis.

The policy on Related Party Transactions as approved by the Board is uploaded on the Company’s website at http://www.milkfoodltd.com/img/downloads/Milkfood_Policy_on_related_party_transactions.pdf

32. PREVENTION OF INSIDER TRADING

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted a Code of Conduct for the prevention of insider trading with a view to regulate the trading in the securities of Company by the Directors and Designated Employees of the Company on the basis of unpublished price sensitive information available to them by virtue of their position in the Company.

The Code under SEBI (Prohibition of Insider Trading) Regulations, 2015 is available on the website of the Company at www.milkfoodltd.com.

33. VIGIL MECHANISM

In pursuant to the provisions of Section 177(9) & (10) of the Companies Act, 2013, Vigil Mechanism for directors and employees to report their genuine concerns such as unethical behavior, actual or suspected fraud, violation of the Company’s Code of Conduct, has been adopted. The Vigil Mechanism Policy has been uploaded on the website of the Company at http://www.milkfoodltd.com/img/downloads/Milkfood_WHISTLEBLOWER_POLICY.pdf

34. INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

The Company has an adequate system of internal control to safeguard and protect from losses, unauthorized use or disposition of its assets. All the transactions are properly authorized, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting the financial statements. The Internal Auditor of the Company checks and verifies the internal control and monitors them in accordance with the policy adopted by the Company.

35. COMPLIANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Company is fully compliant with the applicable mandatory requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

36. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

During the financial year, your Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

37. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant or material orders which were passed by the Regulators or Courts or Tribunals which impact the going concern status of the Company and the Company’s Operations in future.

38. ESOP ISSUANCE

Pursuant to the Scheme of ‘Milkfood Limited Employee Stock Option Plan 2024’ (“Milkfood ESOS 2024 Plan/ Scheme”) as approved by the Board of Directors of the Company on 2nd December, 2024 and by the members of the Company in their EGM held on 30th December, 2024 and pursuant to receipt of In-Principle approval of BSE Limited on 23rd January, 2025, the Nomination and Remuneration Committee (NRC) of the Company, at its meeting held on 27th January, 2025 granted 12,18,000 (Twelve Lakh Eighteen Thousand only) Options to the Eligible Employees of the Company.

But almost all grantee(s) to whom 1218000 Options were granted expressed their inability to exercise the Options granted to them due to the unattractive proposal as the main reason.

In view of the same, the matter was put up before the NRC to review the matter and NRC accepted the request of the Grantees for lapse of 1218000 Options in accordance with the scheme, and these Options were made part of pool with a authority to the NRC that it may re-issue these Options in future at such terms & conditions as it may think fit in accordance with the Clause [11] of the ESOP Scheme.

Further, NRC at its meeting held on 20th June, 2025 re-issued 12,18,000 (Twelve Lakh Eighteen Thousand only) Options to the eligible employees of the Company in accordance with Scheme, at an exercise price of Rs 5/- per Option.

Disclosure required under Regulation 14 of Securities and Exchange Board of India (Share Based Employee Benefits and Sweet Equity) Regulations, 2021 relating to Employees Stock Options as at 31st March, 2025 are given in “**Annexure 7**” to the Report.

Further, a certificate from the Secretarial Auditors on the implementation of the ‘Milkfood Limited Employee Stock Option Plan 2024’ (“Milkfood ESOS 2024 Plan/ Scheme”) will be available at the ensuing Annual General Meeting for inspection by the members.

39. DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF VALUATION DONE AT THE TIME OF ONETIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

40. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Amount of unclaimed/unpaid dividend:

Pursuant to the provisions of Section 124 of the Companies Act, 2013, (“the Act”) read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (“IEPF Rules”), and relevant circulars and amendments thereto, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (“IEPF”), constituted by the Central Government. Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a period of 7 (Seven) consecutive years to the demat account of the IEPF Authority.

Year wise details of the amount of unpaid/unclaimed dividend lying in the unpaid account, which are liable to be transferred to the IEPF, and the due dates for such transfer are as follows:

Financial Year	Type of Dividend	Date of declaration of Dividend	Number of Shareholders against whom Dividend amount is unpaid	Dividend in Rs. per equity shares of Rs. 10/- each	Unclaimed Dividend as on 31st March, 2025 (in Rs.)	Due date for transfer to the IEPF
2022-23	Interim Dividend	19-11-2022	1479	2.50	5,15,753.00	19-12-2029
2023-24	Interim Dividend	16-11-2023	1225	2.50	4,96,001.50	16-12-2030
2024-25	Interim Dividend	25-06-2024	1578	2.50	6,15,585.75	25-07-2031

The data on unpaid / unclaimed dividend and other unclaimed monies is also available on the website of the Company and can be accessed through the following web link www.milkfoodltd.com

Shareholders who have not yet encashed/claimed their dividend are requested to encash/claim the same from the Company/ RTA of the Company before it is transferred to the IEPF.

41. DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

During the Financial year, no application was made or any proceedings pending against the Company under the Insolvency and Bankruptcy Code, 2016.

42. DETAILS OF THE NODAL OFFICER

During the year under review, in accordance with the IEPF Rules, Mr. Rakesh Kumar Thakur, Company Secretary continues to be the Nodal Officer for the purpose of for the purposes of verification of claims of shareholders pertaining to shares transferred to IEPF and / or refund of dividend from IEPF Authority and for co-ordination with IEPF Authority.

43. APPOINTMENT OF THE DESIGNATED PERSON

During the year under review, Mr. Rakesh Kumar Thakur, Company Secretary of the Company continues to be the designated person to be responsible for “furnishing, and extending co-operation for providing, information to the Registrar with respect to beneficial interest in shares of the Company.

44. DISCLOSURES WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT

In accordance with the provisions of Schedule VI of the SEBI Listing Regulations, the Company opened a Demat Suspense Escrow account namely “Milkfood Limited - Demat Suspense Escrow Account” with the RTA M/s Alankit Assignment Limited, the details of shares in the said account as on March 31, 2025 are as follows:

- (a) at the beginning of the year, in this Account, there were only 900 shares (before split and Bonus issue) of Rs. 10/- each held by two shareholders.
- (b) During the year under review, one Shareholder approached the company for transfer of 1200 shares of Rs. 5/- each (300*4) (after Split and Bonus) from the suspense account.
- (c) the Company transferred these shares from the suspense account.
- (d) now at the end of the financial year, there is only One shareholder holding 2400 shares (600*4) (after split and bonus) of Rs. 5/- each lying in the suspense account.
- (e) that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

45. ACKNOWLEDGEMENT

Your Company and its Board of Directors would like to express their sincere appreciation for the assistance, support and cooperation received from regulatory authorities, stakeholders, customers, vendors, investors, financial institutions, bankers and members during the year. We place on record our appreciation for the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board

Place: New Delhi
Date: 12.08.2025

Sd/-
Sudhir Avasthi
Managing Director
DIN:00152375

Sd/-
Harmesh Mohan Sood
Director
DIN: 07951620

Annexure - 1**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 statements of subsidiaries/
associate companies/joint ventures****Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

Sl. No.	Particulars	Details
1.	Name of the subsidiary	MFL Trading Private Limited
2.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2024 to 31/03/2025
3.	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Rupees
4.	Share capital	1,00,000
5.	Reserves & surplus	(3,33,645)
6.	Total Assets	-
7.	Total Liabilities	2,33,645
8.	Investments	-
9.	Turnover	-
10.	Profit before taxation	(54,847)
11.	Provision for taxation	-
12.	Profit after taxation	(54,847)
13.	Proposed Dividend	-
14.	% of shareholding	100

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations. Nil
- Names of subsidiaries which have been liquidated or sold during the year. Nil

Part "B": Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures**

	Name of associates/Joint Ventures	Not Applicable
1.	Latest audited Balance Sheet Date	
2.	Shares of Associate/Joint Ventures held by the company on the year end	
	No.	
	Amount of Investment in Associates/Joint Venture	
	Extend of Holding%	
3.	Description of how there is significant influence	
4.	Reason why the associate/joint venture is not consolidated	
5.	Net worth attributable to shareholding as per latest audited Balance Sheet	
6.	Profit/Loss for the year	
i.	Considered in Consolidation	
ii.	Not Considered in Consolidation	

- Names of associates or joint ventures which are yet to commence operations. Nil
- Names of associates or joint ventures which have been liquidated or sold during the year. Nil

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
(For the financial year ended 31st March, 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
Milkfood Limited
P.O. Bahadurgarh
Distt. Patiala
Punjab

I have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by M/s Milkfood Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025, complied with 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:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – **Not applicable during the reporting period** as the Company has not received any foreign direct investment, Company has not made any overseas investments and there are no external commercial borrowings during the period under audit.
- (v) 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 (Substantial Acquisition of shares and Takeover) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - **Not applicable** to the Company during the year under audit;
 - (f) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client – **Not applicable** as the Company is not registered as a Registrar to an issue and Share Transfer Agent during the year under audit;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 – **Not applicable** as the Company has not got delisted its equity shares from the Stock Exchange during the year under audit;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - **Not applicable** as the Company has not bought back any of its securities during the year under audit.

(vi) Laws specifically applicable to the industry to which the Company belongs, as identified by the Management, that is to say:

- (i) The Food Safety and Standards Act, 2006 and the Rules & Regulations made thereunder as amended from time to time.

For the compliances of Labour Laws & other Laws, as applicable to the Company, my examination and reporting is based on the documents, records and files as produced and shown to me and the information and explanations as provided to me, by the officers and management of the Company and to the best of my judgment and understanding of the applicability of the different enactments upon the Company, in my opinion there are adequate systems and processes exist in the Company to monitor and ensure the compliance with other applicable laws and Labour Laws.

I have also examined the compliances with the applicable Clauses of the Secretarial Standards issued by the Institute of Company Secretaries of India and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that, the compliance by the Company of applicable financial laws such as direct and indirect tax laws and maintenance of financial records and books of accounts have not been reviewed in this Audit since the same have been subject to review by the statutory financial auditors, tax auditors, and other designated professionals.

I further report that the Board of Directors of the Company is duly constituted as per the requirements of Listing Regulations and the Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the applicable provisions of the Act.

Adequate notices are given to all Directors to schedule the Board Meetings. Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice.

The minutes of the Annual General Meeting, Board Meetings and Committee Meetings of the Board are duly signed by the Chairman. All the decisions of the Board meetings and Committee meetings are carried out unanimously as recorded in their respective minute books and no dissenting vote has been recorded in the minutes on any matter.

As per the records, the Company generally filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure the compliances with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, there are no other specific events/actions having a major bearing on the affairs of the Company in pursuance of the laws, rules, regulations, guidelines, standards etc. have taken place except the following:

- A. The Board of Directors in its meeting held on 5th October, 2020, had approved the scheme of Amalgamation between M/s Triputi Infrastructure Private Limited (Transferor Company) with M/s Milkfood Limited (Transferee Company).

The Hon'ble National Company Law Tribunal, Chandigarh Bench ("NCLT") vide its Order dated 16th April, 2024 has approved the amalgamation between M/s Triputi Infrastructure Private Limited (Transferor Company) and M/s Milkfood Limited (Transferee Company) and pursuant to said Order, the Board of Directors at their meeting held on 25th April, 2024 has approved the allotment of 9,66,690 (Nine Lakh Sixty-Six Thousand Six Hundred and Ninety) Equity Shares of Rs. 10/- to the eligible Shareholder, Mr. Karamjit Jaiswal of the Transferor Company, in the ratio of 69 Equity Shares of Rs. 10/- each fully paid up of the Transferee Company for every 1000 (One Thousand) Equity Shares of Rs. 10/- each of the Transferor Company.

BSE Limited has granted the listing and trading approval of these shares vide Letters dated 03.06.2024 and 14.06.2024 respectively.

- B. Pursuant to the approval of the members of the Company taken in the Extra-ordinary General Meeting held on 30th December, 2024, the Company had implemented MILKFOOD LIMITED EMPLOYEES STOCK OPTION PLAN, 2024, (MILKFOOD ESOS 2024/PLAN/SCHEME) and Nomination & Remuneration Committee (NRC) in its Meeting held on 27th January, 2025 issued 12,18,000 number of Options convertible into 1218000 equity shares to its eligible employees.

But, all the grantee(s) to whom 1218000 Options were granted on 27th January, 2025 have expressed their inability to exercise the Options granted to them and returned back the Options to the Company citing unattractive proposal as the main reason.

In view of the same, the Nomination & Remuneration Committee (NRC) in its meeting held on 28th May, 2025 accepted the request of all the Grantees and as per the terms & conditions of the (MILKFOOD ESOS 2024/PLAN/SCHEME), the said Options were made part of pool with a authority to the NRC that it may re-issue these Options in future at such terms & conditions as it may deemed fit.

Later on, NRC at its meeting held on 20th June, 2025 re-issued 12,18,000 (Twelve Lakh Eighteen Thousand only) Options to the eligible employees of the company, which they have surrendered earlier at the Exercise Price of Rs. 5/- per Option.

- C. Further, during the year under review, pursuant to the approval of the members of the Company taken in their 51st Annual General Meeting held on 31st July, 2024, the Company at its Board meeting held on 14th August, 2024 has issued bonus equity shares of Rs. 5/- each in the proportion of 1 (One) new fully paid-up equity share of Rs. 5/- each for every 1 (One) existing fully paid-up equity share of Rs. 5/- each held by the members of the Company.

This report is to be read with my Letter of even date which is annexed as **Annexure-2-A** and form an integral part of this Report.

Sd/-

(Kamlesh Gupta)

Practicing Company Secretary

Membership No. ACS-13862

C.P. No. 10451

UDIN: **A013862G000946629**

Peer Review Certificate No.: 2013/2022

Place : Gurugram

Date : 06/08/2025



Annexure-2-A

To,
The Members
Milkfood Limited

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and process 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 secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Gurugram
Date : 06/08/2025

Sd/-
(Kamlesh Gupta)
Practicing Company Secretary
Membership No. ACS-13862
C.P. No. 10451
UDIN: **A013862G000946629**
Peer Review Certificate No.: 2013/2022

ANNUAL REPORT ON CSR ACTIVITIES**1. Brief outline on CSR Policy of the Company**

The Company has assumed the responsibility to contribute to create positive and lasting social impact by addressing various needs of the society through its CSR programs. The Company has adopted its CSR Policy striving for economic and social development that positively impacts the society at large. CSR Policy of the Company provides the overview of projects or programs which are proposed to be undertaken by the Company.

During the year under review, in order to comply with the Corporate Social Responsibility, the Company has deposited the required funds in the Prime Minister's National Relief Fund (PMNF).

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Harmesh Mohan Sood	Chairman	3	3
2	Mr. Anil Girotra	Member	3	3
3	Mrs. Preeti Mathur	Member	3	3

3. Provide the web-link(s) where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

Composition of CSR Committee is shared above and is available on the Company's website at http://www.milkfoodltd.com/img/downloads/Milkfood_Corporate_Social_Responsibility_Policy.pdf along with CSR Policy and project details.

4. Provide the 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

5. (a) Average net profits of the Company as per sub-section (5) of Section 135: Rs. 6,42,44,956/-

(b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: Rs.12,84,899/-

(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 [5(b)+5(c)-5(d)]: Rs. 12,84,899/-

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): Rs. 12,85,000/-

Details of CSR amount spent against other than ongoing projects during the financial year 2024-25 is enclosed as **Annexure A** to this report.

(b) Amount spent in administrative overheads: Nil

(c) Amount spent on Impact Assessment, if applicable: Nil

(d) Total amount spent for the Financial Year [6(a)+6(b)+6(c)]: Rs. 12,85,000/-

(e) CSR amount spent or unspent for the Financial Year:

(In ₹)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
12,85,000	Nil	-	-	Nil	-

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

(in ₹)

Sl. No.	Particular	Amount
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per Section 135(5)	12,84,899
(ii)	Total amount spent for the Financial Year	12,85,000
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	101
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of unspent CSR amount for the preceding three financial years:

(in ₹)

(1)	(2)	(3)	(4)	(5)	(6)		(7)	(8)
Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of Section 135	Balance Amount in Unspent CSR Account under sub-section (6) of Section 135	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per second proviso to under sub-section (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
1	2023-24	Nil	-	-	-	-	-	-
2	2022-23	Nil	-	-	-	-	-	-
3	2021-22	Nil	-	-	-	-	-	-

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

Yes ☐ No ☒

If yes, enter the number of Capital assets created/ acquired: Not applicable

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the financial year:

Sl. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of Creation	Amount of CSR spent	Details of entity/ Authority/ Beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
			Nil				

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) – Not applicable

Sd/-
Sudhir Avasthi
Managing Director
DIN:00152375

Sd/-
Harmesh Mohan Sood
Chairman-CSR Committee
DIN: 07951620

Annexure A**DETAILS OF CSR AMOUNT SPENT AGAINST OTHER THAN ONGOING PROJECTS FOR THE FINANCIAL YEAR 2024-25**

S. No.	Name of the Project /Programmes	Item from list of activities in Schedule VII to the Companies Act, 2013	Amount Spent for the project or Programmes
1	Contribution to Prime Minister's National Relief Fund (PMNF)	Item (viii)	Rs. 12,85,000/-
	Total		Rs. 12,85,000/-

Annexure-4

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March, 2025: -

1. CONSERVATION OF ENERGY

- I. Your Company has been making efforts to reduce energy consumption by focusing on improving the steam efficiency and capacity utilization, up-gradation of technology, modernization of plants/ training and motivation of employees towards energy conservation.

- II. There is no capital investment on energy conservation equipments during the year.

Details pertaining to energy consumption as prescribed are given hereunder:

		Year ended 31.03.2025	Year ended 31.03.2024
A) Power and Fuel consumption			
1) Electricity			
a) Purchased			
Units		26,85,759	34,39,979
Total Value	(Rs.)	2,63,07,614	3,28,02,624
Rate/Unit	(Rs.)	9.80	9.53
b) Own Generation			
(i) Through Diesel Generator			
Units		66,418	1,01,175
Total Value	(Rs.)	20,48,617	31,76,550
Unit per litre of:			
Diesel Oil		2.86	2.86
Cost/Unit	(Rs.)	30.84	31.40
(ii) Through Steam Turbine			
Units		4,80,380	9,19,826
Total Value	(Rs.)	52,42,922	1,14,38,767
Unit per Kgs of:		10.91	12.44
Steam		3,431	28,530
Cost/Unit	(Rs.)	1.53	0.40
2) Others/Internal Generation			
Rice Husk/Petroleum Coke/Charcoal			
Buggase/Fire Wood			
Quantity (MT)		8,882	11,952
Total Amount	(Rs.)	5,91,79,420	8,14,39,309
Avg. Rate	(Rs.)	6,663	6,814

The Company has two manufacturing plants at different locations and produces various products and uses different sources of energy in different combinations for the different products. It is, therefore, not feasible to arrive at the energy consumption per unit for each source of energy.

2. TECHNOLOGY ABSORPTION

The Company has not imported any technology for the various products being produced / marketed by it. Up-gradation of technology is a continuous process. There is ongoing work for the quality improvement, finding alternative packing materials, improvement in the various processes. No expenditure has been incurred on research & development during the year.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO: NIL

Annexure-5

A. DETAILS PURSUANT TO 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

Relevant Clause u/r 5(1)	Prescribed Requirement	Particulars
(i)	Ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year.	- Mr. Sudhir Avasthi, MD - 84.79%
(ii)	Percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year.	- Mr. Deepankar Barat, President - 10% - Mr. Sanjeev Kothiala, CFO - 10% - Mr. Rakesh Kumar Thakur, Company Secretary -10%
(iii)	Percentage increase in the median remuneration of employees in the financial year.	10%
(iv)	Number of permanent employees on the rolls of Company.	170
(v)	Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	- Average increase in remuneration of Managerial Personnel – 10%. - Average increase in remuneration of employee other than Managerial Personnel -10%
(vi)	Affirmation that the remuneration is as per the remuneration policy of the company.	The remuneration is as per the Nomination and Remuneration policy for Directors, KMP and other employees of the Company, formulated pursuant to the provision of section 178 of the Companies Act, 2013.



Annexure - 6

Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2)
of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts / arrangements / transactions: NA
- (c) Duration of the contracts / arrangements / transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Justification for entering into such contracts or arrangements or transactions: NA
- (f) Date(s) of approval by the Board: NA
- (g) Amount paid as advances, if any: NA
- (h) Date on which the resolution was passed in general meeting as required under first proviso to section 188: NA

2. Details of material contracts or arrangement or transactions at arm's length basis:

- (a) Name(s) of the related party and nature of relationship: NA
- (b) Nature of contracts / arrangements / transactions: NA
- (c) Duration of the contracts / arrangements / transactions: NA
- (d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- (e) Date(s) of approval by the Board, if any: NA
- (f) Amount paid as advances, if any: NA

For and on behalf of the Board

Sd/-
Sudhir Avasthi
Managing Director
DIN:00152375

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

Annexure-7

DISCLOSURE UNDER REGULATION 14 OF SEBI (SHARE BASED EMPLOYEE BENEFITS AND SWEAT EQUITY) REGULATIONS, 2021

Sl. No.	Particulars	'Milkfood Limited Employee Stock Option Plan 2024' ("MILKFOOD ESOS 2024/PLAN, SCHEME)
1.	Any material change in the Plan and whether the Plan is in compliance with the regulations	The Shareholders had approved the Plan, Scheme in their meeting held on 30 th December, 2024. No changes are carried out in the Plan. Further, the Plan is in compliance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.
2.	Following disclosures are made on the website of the Company – www.milkfoodltd.com	
A.	Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Members may refer to the audited financial statement prepared as per Indian Accounting Standards (Ind AS) for the financial year 2024-25, available on www.milkfoodltd.com	
B.	Diluted EPS on issue of shares pursuant to all the schemes covered under the regulations shall be disclosed in accordance with 'Accounting Standard 20 - Earnings Per Share' issued by ICAI or any other relevant accounting standards as prescribed from time to time. Basic and Diluted EPS for the year ended 31st March, 2025 is 1.86	
C.	Details related to the Plan :	
(i)	A description of the Plan that existed at any time during the year, including the general terms and conditions of the Plan, including-	
	(a) Date of shareholders' approval	The Plan has been approved by a resolution passed in the meeting of the Board of Directors of the Company held on 2nd December, 2024 and shareholders in their meeting held on 30th December, 2024. The Plan has been approved for Eligible Employees of Milkfood Limited.
	(b) Total number of stock options approved under the Plan	The maximum number of Options approved pursuant to the Plan are 12,18,000 (Twelve Lakh and Eighteen Thousand) which shall be convertible into equal number of Equity Shares of the Company.
	(c) Vesting requirements	As per the plan, vesting period shall commence after minimum One (1) year from the grant date and it may extend upto maximum of Three (3) years from the grant date, at the discretion of and in the manner prescribed by the Nomination and Remuneration Committee of the Board.
	(d) Exercise price or pricing formula	The Options shall be granted to the employee at Rs (65) per option.
	(e) Maximum term of stock options granted	The Remuneration Committee may in its absolute discretion determine the vesting criteria, which could be either be time-based or performance-based or both, provided, that in no case shall the Vesting Period be (i) more than 3 (Three) years] from the Grant Date; and (ii) less than 1 (one) year from the Grant Date or such other minimum or maximum time period as may be prescribed by Applicable Laws, from time to time.
	(f) Source of shares (primary, secondary or combination)	Primary
	(g) Variation in terms of stock options	Not Applicable

(ii)	Method used to account for the Plan - Intrinsic or fair value	Fair value	
(iii)	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the company shall also be disclosed.	The Company had opted for using the fair value method for expensing of the options. Hence, same is not applicable.	
(iv)	Option Movement during the year		
Sl. No.	Particulars	Details	
1	Number of options outstanding at the beginning of the period	12,18,000	
2	Number of options granted during the year	12,18,000	
3	Number of options forfeited / lapsed during the year	Nil	
4	Number of options vested during the year	Nil	
5	Number of options exercised during the year	Nil	
6	Number of shares arising as a result of exercise of options	Not yet exercised	
7	Money realized by exercise of options (INR), if scheme is implemented directly by the Company	Not yet exercised	
8	Loan repaid by the Trust during the year from exercise price received	Not applicable since the Scheme is implemented directly	
9	Number of options outstanding at the end of the year	Nil (All options has been granted)	
10	Number of options exercisable at the end of the year	Nil	
(v)	Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock.	(i) Weighted average exercise price of Options outstanding at the end of the year whose:	
		Particulars	SIP
		Exercise price equals market price	-
		Exercise price is greater than market price	-
		Exercise price is less than market price	-
		(ii) Weighted average fair value of Options outstanding at the end of the year whose:	
		Particulars	SIP
		Exercise price equals market price	-
		Exercise price is greater than market price	-
		Exercise price is less than market price	-

(vi)	Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to -			
	(a) Senior managerial personnel;	Name & Designation of the Employee	Number of options granted during the year	Exercise Price per Share
		Mr. Sudhir Avasthi, Managing Director	550000	Rs.65/-
		Mr. Deepankar Barat, President	250000	Rs.65/-
		Mr. Harmesh Mohan Sood, Non-Executive Director	25000	Rs.65/-
		Mr. Sanjeev Kothiala, Chief Financial Officer	50000	Rs.65/-
		Mr. Amar Baljeet Singh, Chief Operation Officer	50000	Rs.65/-
		Mr. Nawal Kumar, Vice President (Finance & Accounts)	50000	Rs.65/-
		Mr. Dhanraj Singh Negi- AVP- Sales	50000	Rs.65/-
		Mr. Avinash Chandra Sinha General Manager (Works)	45000	Rs.65/-
		Mr. Hemant Kumar- Manager Taxation	20000	Rs.65/-
		Mr. Rakesh Kumar Thakur Company Secretary	20000	Rs.65/-
		Mr. Rajesh Kumar Shorey General Manager-Quality Control	20000	Rs.65/-
		Mr. Sourabh Mandhan General Manager-Production	20000	Rs.65/-
		Mr. Vikash Shanker Saxena General Manager (Sales)	20000	Rs.65/-
		Mr. Mukesh Kumar Deputy Manger- (S&M)	20000	Rs.65/-
		Mr. Sumit Shama - DGM-Finance	14000	Rs.65/-
		Mr. Vikram Sharma - DGM-Accounts	14000	Rs.65/-
	(b) any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year; and	Nil		
	(c) identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.	Mr. Sudhir Avasthi - 5,50,000 Mr. Deepankar Barat - 2,50,000		

(vii)	A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:		
	(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model;	The weighted - average values of share price of option granted	
		Exercise Price	65
		Expected Volatility	69.72%
		Expected Option Life	1 year
		Expected dividends	0.00%
		Average Risk-free interest rate	5.73%
	(b) the method used and the assumptions made to incorporate the effects of expected early exercise;	Not Applicable	
	(c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and	Expected volatility was determined on the basis of historical share price of the Company.	
	(d) whether and how any other features of the option grant were incorporated into the measurement of fair value, such as a market condition.	Volatility and Risk Free rate has been considered that takes care of Market Conditions.	

Corporate Governance Report

CORPORATE GOVERNANCE REPORT

In accordance with Regulation 34 read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI (LODR) Regulations"], the Report containing the details of Corporate Governance of Milkfood Limited is as follows:

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

The Company firmly believes that Corporate Governance is crucial to the very existence of a company, as the implementation of Code on Corporate Governance goes a long way in attainment of the highest levels of transparency, accountability and equity in all facets of operations. Your Company is committed to the adoption of best Corporate Governance Practices.

BOARD OF DIRECTORS:

As on 31st March, 2025, the Company has six (6) Directors consisting of three Non-Executive Independent Directors, two Non-Executive Non-Independent Directors and one Executive Director. The Board is primarily responsible for the overall management of the Company's business. None of the Directors are related to each other. The composition of the Board of Directors is in conformity with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the relevant provisions of the Companies Act, 2013.

None of the Directors of the Company is a member of more than ten Committees or Chairman of more than five Committees across all companies in which he/she is a director.

The Independent Directors do not have any pecuniary relationship or transactions with the company, promoters, and management, which may affect independence or judgment of the Directors in any manner.

During the financial year 2024-25, eleven Board meetings were held i.e. on 19.04.2024, 25.04.2024, 30.05.2024, 25.06.2024, 01.08.2024, 14.08.2024, 11.09.2024, 01.10.2024, 14.11.2024, 02.12.2024 and on 14.02.2025.

Composition of Board of Directors as on 31st March, 2025 and other details are as under:

Name	Category	No. of Board Meeting held during the financial year 2024-25	No. of Board Meetings attended	Whether previous AGM held on 31st July, 2024 attended	No. of Directorships held in other companies*	No. of Committee positions held in other public limited companies as a Chairman	No. of Committee positions held in other public-limited companies as a Member
Mr. Sudhir Avasthi	Managing Director - Executive	11	10	Yes	Nil	Nil	Nil
Mrs. Gita Bawa	Non-Executive Independent Director	11	9	No	1	Nil	Nil
Mr. Harmesh Mohan Sood	Non-Executive Non-Independent Director	11	11	Yes	2	Nil	Nil
Mrs. Preeti Mathur	Non-Executive Non-Independent Director	11	9	Yes	Nil	Nil	Nil
Mr. Anil Girotra	Non-Executive Independent Director	11	9	Yes	Nil	Nil	Nil
Mrs. Namita Swain	Non-Executive Independent Director	11	9	Yes	Nil	Nil	Nil

*Directorship held in other companies by the Directors of the Company is on the basis of the information furnished by the Directors.

INDEPENDENT DIRECTORS' MEETING:

In terms of the provisions of Schedule IV of the Act read with regulation 25 of SEBI (LODR) Regulations, the Independent Directors are required to meet at least once in a financial year without the presence of non-independent Directors and the members of the Management.

Accordingly, during the year under review, a separate meeting of the Independent Directors was held on **25th March, 2025**, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors Viz. Mrs. Gita Bawa, Mr. Anil Girotra and Mrs. Namita Swain were present at the meeting. The following issues were discussed in detail:

- Review the performance of non-independent directors and the Board as a whole;
- Assessment of the quality, quantity and timeliness flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

NO. OF SHARES HELD BY THE NON-EXECUTIVE DIRECTORS:

None of the Non-Executive Directors of the Company held any shares of the Company except Mr. Harmesh Mohan Sood who holds 20,040 equity shares of the Company.

AUDIT COMMITTEE:

The Audit Committee of the Company comprises of two Independent Directors and one Non-Executive Non-Independent Director. The terms of reference, role and powers of the Audit Committee are in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2025, the composition of the Audit Committee is as follows:

Name	Designation
Mr. Anil Girotra	Chairman
Mrs. Gita Bawa	Member
Mr. Harmesh Mohan Sood	Member

Mr. Rakesh Kumar Thakur, Company Secretary, acts as the Secretary to the Committee.

During the financial year 2024-25, the Audit Committee held six meetings i.e. on 30th May, 2024, 25th June, 2024, 14th August, 2024, 11th September, 2024, 14th November, 2024 and 14th February, 2025.

Attendance at the meetings is as follows:

Name of Members	No. of meetings held during the financial year 2024-25	Meetings attended
Mrs. Gita Bawa	6	6
Mr. Harmesh Mohan Sood	6	6
Mr. Anil Girotra	6	6

NOMINATION & REMUNERATION COMMITTEE:

The Nomination & Remuneration Committee comprises of two Independent Directors and one Non-Executive Non-Independent Director. The terms of reference, role and powers of the Committee are in accordance with the provisions of Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As on 31st March, 2025, the composition of the Nomination & Remuneration Committee is as follows:

Name	Designation
Mr. Anil Girotra	Chairman
Mrs. Gita Bawa	Member
Mrs. Preeti Mathur	Member

During the financial year 2024-25, four meetings of the Committee were held on 30th May, 2024, 25th June, 2024, 02nd December, 2024 and on 27th January, 2025.

Attendance at the meetings is as follows:

Name of Members	No. of meetings held during the financial year 2024-25	Meetings attended
Mrs. Gita Bawa	4	4
Mrs. Preeti Mathur	4	4
Mr. Anil Girotra	4	4

COMPANY'S POLICY ON APPOINTMENT AND REMUNERATION OF DIRECTORS, KMPs AND OTHER SENIOR EMPLOYEES:

The Nomination & Remuneration Committee has formulated a policy for selection and appointment of Directors, KMPs and senior employees and for the determination of their remuneration and other matters as specified under sub section (3) of Section 178 of the Companies Act, 2013. The Remuneration Policy has been uploaded on the Company's website at http://www.milkfoodltd.com/img/downloads/Milkfood_Nomination_Remuneration_Policy.pdf

The highlights of this Policy are as follows:

1. Criteria of Selection of Non-Executive Directors and Remuneration:

- a. The Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in the fields of manufacturing, marketing, finance, taxation, law, governance and general management.
- b. In case of appointment of Independent Directors, the Committee shall satisfy itself with regard to the independent nature of the Directors vis-à-vis the Company so as to enable the Board to discharge their functions and duties effectively.
- c. The Committee shall ensure that the candidate identified for appointment as a Director is not disqualified for appointment under Section 164 of the Companies Act, 2013.
- d. The Committee shall consider the following attributes / criteria, whilst recommending to the Board the candidature for the appointment as a Director:
 - i. Qualification, expertise and experience of the Directors in their respective fields;
 - ii. Personal, professional or business standing;
 - iii. Diversity of the Board.
- e. In case of re-appointment of Non-Executive Directors, the Board shall take into consideration the performance evaluation of the Director and his engagement level.

Remuneration

The Non-Executive Directors shall be entitled to receive remuneration by way of sitting fees for participation in the Board meetings/Committee meetings as may be approved by the Board of Directors within the overall limits as prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Independent Directors of the Company shall not be entitled to participate in the Stock Option Scheme of the Company, if any, introduced by the Company.

2. Managing Director & Whole-time Director- criteria for selection/appointment and remuneration:

For the purpose of selection of Managing Director or Whole Time Director, the Committee shall identify person of integrity who possess relevant expertise, experience and leadership qualities required for the position and shall take into consideration the recommendations, if any, received from any member of the Board.

The Committee will also ensure that the incumbent fulfills such other criteria with regard to age and other qualifications as laid down under the Companies Act, 2013 or other applicable laws.

Service contract, severance fee and notice period of the Executive Director:

The appointment of the Managing Director/ Whole time Director is governed by Resolution passed by the Shareholders of the Company, which covers the terms and conditions of such appointment, read with the service rules of the Company. No notice period or severance fee is payable to any Executive Director.

Remuneration:

1. At the time of appointment or re-appointment, the Managing Director or Whole Time Director may be paid such remuneration as may be mutually agreed between the Company (which includes the Nomination & Remuneration Committee and the Board of Directors) and the Managing Director or Whole-time Director within the overall limits prescribed under the Companies Act, 2013.
2. The remuneration shall be subject to the approval of the members of the Company in their general meeting.
3. In determining the remuneration, the Committee shall ensure/consider the following:
 - a. The relationship of remuneration and performance benchmarks is clear.
 - b. Responsibilities required to be shouldered by the Managing Director or Whole time Director, the industry benchmarks and the current trends.

3. Remuneration Policy for the Senior Management Employees:

In determining the remuneration of the Senior Management Employees (i.e. KMPs and senior officers just below the Board level other than the Managing Director and Whole Time Director), the Committee shall ensure / consider the following:

- i. the relationship of remuneration and performance benchmark is clear;
- ii. the remuneration including annual increment is decided based on the criticality of the role's responsibilities, the Company's performance vis-à-vis the annual budget achievement, individuals' performance and current compensation trends in the market.

DETAILS OF REMUNERATION PAID TO DIRECTORS:

The Company pays sitting fees to all the Non-Executive Directors of the Company for the Board meetings attended by them. The sitting fees paid to the Non-Executive Directors of the Company for the financial year ended on 31st March, 2025 is as follows:

Sl. No.	Name of Directors	Sitting fees
1.	Mrs. Gita Bawa	Rs.1,35,000/-
2.	Mr. Harmesh Mohan Sood	Rs. 1,65,000/-
3.	Mrs. Preeti Mathur	Rs. 1,35,000/-
4.	Mr. Anil Girotra	Rs. 1,35,000/-
5.	Mrs. Namita Swain	Rs. 1,35,000/-
	Total	Rs. 7,05,000/-

There has been no pecuniary relationship or transactions of the Non-Executive Directors vis-à-vis the Company during the year except the sitting fees paid to them as detailed above.

Remuneration to Executive Directors:

(Rs. in Lakh)

S. No.	Name of Director	Salary	Perquisites and other	Total
1.	Mr. Sudhir Avasthi, Managing Director	187.28	48.07	235.35

STAKEHOLDERS RELATIONSHIP COMMITTEE:

In view of the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Stakeholders Relationship Committee comprises of Non-Executive Director as the Chairperson. The functioning and terms of reference of the Committee are as prescribed under and in due compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 with particular reference to the complaints related to transfer of shares, grievances of shareholders and also the Committee functions in an efficient manner that all issues / concerns of the stakeholders are addressed / resolved promptly.

As on 31st March, 2025, the composition of the Stakeholders Relationship Committee is as follows:

Name	Designation
Mrs. Preeti Mathur	Chairperson
Mrs. Gita Bawa	Member
Mr. Anil Girotra	Member

The Committee held three meetings during the financial year 2024-25. Attendance at meetings is as follows:

Date Date of Meeting	Mrs. Gita Bawa	Mrs. Preeti Mathur	Mr. Anil Girotra
25.04.2024	Yes	Yes	Yes
11.09.2024	Yes	Yes	Yes
25.03.2025	Yes	Yes	Yes

During the year under review, no complaints have been received from the shareholders of the Company.

Mr. Rakesh Kumar Thakur, Company Secretary, acts as the Secretary of the Committee and also as the Compliance Officer of the Company.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has constituted a Corporate Social Responsibility Committee comprising of three Directors. The composition of the Committee as on 31st March, 2025 is as under:

1. Mr. Harmesh Mohan Sood, Non-Executive Non-Independent Director - Chairman
2. Mr. Anil Girotra, Non-Executive Independent Director - Member
3. Mrs. Preeti Mathur, Non-Executive Non-Independent Director - Member

The Committee held three meetings during the financial year 2024-25. Attendance at meetings is as follows:

Date of Meeting	Mrs. Preeti Mathur	Mr. Harmesh Mohan Sood	Mr. Anil Girotra
25.06.2024	Yes	Yes	Yes
01.10.2024	Yes	Yes	Yes
25.03.2025	Yes	Yes	Yes

The CSR Policy of the Company as approved by the Corporate Social Responsibility Committee is available on the website of the Company at www.milkfoodltd.com.

ANNUAL GENERAL MEETINGS:

Location and time for the last three AGMs:

Year	Date	Venue	Time	No. of Special Resolutions passed
2022	28.09.2022	Meeting was held Virtually and the Registered Office of the Company situated at P.O. Bahadurgarh-Distt. Patiala -147021, Punjab, was deemed as the venue of the Meeting	10.00 A.M.	Three
2023	24.08.2023	Registered Office	9.00 A.M.	Four
2024	31.07.2024	Registered Office	9.00 A.M.	Three

No resolution has been passed through Postal Ballot.

DISCLOSURE:

Details of related party transactions entered into during the financial year 2024-25 have been disclosed in Note 34 of the financial statements forming part of the annual report.

There has not been any non compliance and no penalties or strictures have been imposed on the Company by the Stock Exchange, SEBI or any other statutory authority on any matter related to capital markets during the financial year under review.

The Company has complied with all the mandatory requirements as mentioned in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Company Secretary in Practice, Ms. Kamlesh Gupta, has issued the Certificate dated 6th August, 2025 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 Securities and Exchange Board of India / Ministry of Corporate Affairs or any such statutory authority.

CODE OF CONDUCT:

The Company has adopted a Code of Conduct for Board Members and Senior Management Team of the Company. All Board Members and Senior Management Personnel of the Company have affirmed the compliance with the Code. A declaration to this effect duly signed by Mr. Sudhir Avasthi, Managing Director of the Company is annexed. The Code of Conduct has been posted on the website of the Company, www.milkfoodltd.com.

MEANS OF COMMUNICATION:

The quarterly, half yearly and yearly financial results of the Company are forwarded to the Bombay Stock Exchange where the shares of the Company are listed immediately upon the approval by the Board of Directors and are published in English daily and in a Punjabi daily as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are posted on the Company's website.

Management Discussion and Analysis Report is annexed and forms part of the Annual Report.

GENERAL SHAREHOLDERS' INFORMATION:

Annual General Meeting (AGM):

Date & Time	: 25 th September, 2025, 9.00 A.M.
Venue	: Registered Office
Book Closure Date	: 19 th September, 2025 to 25 th September, 2025 (Both days inclusive)

Dividend History:

The Dividend declared and paid during the last three financial years is as under:

Sr. No.	Financial Year	% of Interim Dividend	% of Final Dividend	% of Total Dividend	Dividend amount in lakhs
1.	2022-23	25	-	25	122.16
2.	2023-24	25	-	25	128.19
3.	2024-25	25	-	25	152.36

Financial Calendar for 2025-26: (Tentative)

Financial Results for

First Quarter	: up to mid-August, 2025
Second Quarter	: up to mid-November, 2025
Third Quarter	: up to mid-February, 2026
Fourth Quarter	: up to 30 th May, 2026

Registrar and Share Transfer Agent:

M/s. Alankit Assignments Ltd., 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055 acts as Registrar and Share Transfer Agent of the Company.

However, keeping in view the convenience of shareholders documents relating to shares and other correspondence will continue to be received by the Company at the Head Office at 5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019 or at Registered Office at P.O. Bahadurgarh, Distt. Patiala, Punjab 147021.

To expedite the process of share transfers, the Board has delegated the power of share transfer to M/s Alankit Assignments Limited Viz. Registrar and Share Transfer Agents who attends to the share transfer formalities at least once in a fortnight.

Share Transfer System

The Board has delegated the authority for approving transmission, dematerialisation of shares etc. to the Share Transfer Committee. A summary of transactions so approved by the Committee is placed at the next Board Meeting.

In terms of amended Regulation 40 of Listing Regulations w.e.f. 1st April, 2019, transfer of securities in physical form shall not be processed unless the securities are held in the demat mode with a Depository Participant. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, Members holding shares in physical form are requested to consider converting their shareholdings into dematerialized form. Members can contact the Company or its RTA M/s Alankit Assignment Limited for assistance in this regard. The Company through its RTA, sent intimation to shareholders who are holding shares in physical form, advising them to get the shares dematerialized.

SEBI vide its Circular No SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25th January, 2022, has made it mandatory for listed companies to issue securities in demat mode only while processing any investor service requests viz. issue of duplicate securities certificates, renewal/exchange/sub-division/ splitting/consolidation of securities certificates, transmission/ transposition of securities, endorsement and claim from Unclaimed Suspension Account and further SEBI has clarified that listed entities shall now issue a Letter of Confirmation in lieu of physical securities certificate while processing any of the aforesaid investor service request.

Simplified Norms for processing Investor Service Request

SEBI vide its Circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16th March 2023 has made it mandatory for all shareholders holding shares in physical form to furnish PAN, nomination, contact details, bank account details, specimen signature for their corresponding folios to avail any investor services.

For availing the investor services as mentioned above, the service requests along with the requisite forms are tabulated below:

Type of holder	Process to be followed	
Physical	For availing the following investor services, send a written request in the prescribed forms to the RTA of the Company, Alankit Assignments Limited either by email to rta@alankit.com or by post to Alankit Assignments Limited, Alankit House, 4E/2, Jhandewalan Extn., New Delhi – 110055 or to the Company:	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR-1
	Update of signature of securities holder	Form ISR-2
	For nomination as provided in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of nominee	Form SH-14
	Form for requesting issue of duplicate certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR-4
Demat	Please contact your DP and register your email address and bank account details in your demat account, as per the process advised by your DP.	

Distribution of Shareholding as on 31st March, 2025:

Share holding of nominal value of Rs.	No. of shareholders	No. of shares held	% age of total shareholding (Rounded off)
1-5000	11272	2693061	11.05
5001-10000	50	352735	0.44
10001-20000	19	256929	0.17
20001-30000	2	46040	0.02
30001-40000	1	31000	0.01
40001-50000	1	44828	0.01
50001-100000	4	295553	0.04
100001 and above	13	20658034	84.74
Total	11362	24378180	100.00

Shareholding pattern as on 31st March, 2025

Particulars	No. of shares held	%age of shares held (Rounded off)
Promoters & Promoter Group	13660096	56.03
Mutual Funds	5200	0.02
Banks, Financial Institutions & Insurance Companies	900	0.00
FPIs	-	-
Corporate Bodies	5610686	23.02
Indian Public	4962410	20.36
NRI/NRNR/OCBs	66015	0.27
Trust/Clearing Member/Resident HUF	72873	0.30
Total	24378180	100.00

Dematerialization of Shares and Liquidity:

As the members are aware, your Company's shares are tradable compulsory in electronic form and your Company has established the electronic connectivity with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL). In view of the numerous advantages offered by the Depository System, members are requested to avail of the facility of dematerialization of the Company's Shares on either of the Depositories as aforesaid.

As on 31st March, 2025, 98.035% Equity Capital was held in dematerialized form and the balance in physical form.

Plant Locations:

Patiala Plant: P.O. Bahadurgarh, Distt. Patiala -147021, Punjab

Moradabad Plant: Village Mugampur, Urf Agwanpur, Kanth Road, Distt. Moradabad – 244 001 (U.P.)

Address for correspondence:

Registered Office: P.O. Bahadurgarh, Distt. Patiala-147021, Punjab.

Tel: 0175-2381404, Fax: 0175-2380248

Head Office & Share Department:

5th Floor, Bhandari House, 91, Nehru Place, New Delhi-110019. Tel: 011-26460670, Fax: 011-26460823

Investors' e-mail ID: investor_grievances_redressal@milkfoodltd.com, sectl@milkfoodltd.com

Website : www.milkfoodltd.com

Credit Rating: BBB with negative outlook.

Disclosure of Compliances with Corporate Governance Regulations specified in SEBI (LODR) Regulations:

The Company has complied with all the applicable regulations of SEBI (LODR) Regulations.

The Company submits a quarterly compliance report on corporate governance signed by the Compliance Officer to the Stock Exchange within the time as per regulation 27(2) of the SEBI (LODR) Regulations. Such quarterly compliance reports on corporate governance are also posted on the Company's website.

Declaration pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

I, Sudhir Avasthi, Managing Director, hereby declare that the Code of Conduct adopted by the Company for its Board and Senior Management Personnel has been duly complied by all Board Members and Senior Management Personnel of the Company.

Place : New Delhi

Date : 12.08.2025

Sd/-

Sudhir Avasthi
Managing Director

Management Discussion and Analysis:

ECONOMIC OVERVIEW

The Russia-Ukraine war impacted global output and escalated inflation. The pandemic also impacted manufacturing activity, which in turn led to supply shortages, release of pent-up demand and high inflation in many emerging and developing economies. India is amongst the world's largest populated Country. Over the past decade, the Country's integration into the global economy has been accompanied by economic growth and it has now emerged as a global player. The Government and Reserve Bank of India took several monetary and fiscal policy measures to support and safeguard against the adverse impact of the crisis on the economy.

INDUSTRY STRUCTURE, OUTLOOK AND DEVELOPMENT

India has become the highest milk producer in the world and is leading producer and consumer of dairy products worldwide with a sustained growth in the availability of milk and milk products. Dairy activities form an essential part of the rural Indian economy, serving as an important source of employment and income. The economy is expected to remain resilient and benefit from the recovery in consumption supported by increasing normalisation of activity, higher rural income and the boost from pentup household savings in addition to continued emphasis on infrastructure spending by the government.

There are many opportunities and challenges in the Indian Dairy Industry. Dairy products are a major source of cheap and nutritious food to millions of people in India and the only acceptable source of animal protein for a large vegetarian segment of the Indian population. Dairying has been considered as one of the activities aimed at alleviating the poverty and unemployment, especially in the rural areas in the rain-fed and drought-prone regions.

The laws regulating the safety and quality of food are in existence since 1899. The number of legislations and quality standards has also increased substantially with the passage of time and growth of the industry. The food sector in India is governed by a multiplicity of laws under different Ministries. The "Food Safety and Standards Act, 2006", aims to integrate the food safety laws in the country in order to systematically and scientifically develop the food processing industry and shift from a regulatory regime to self-compliance.

Organized dairy sector is growing and investor interest in dairy industry is also quite high.

The main aim of the Indian Dairy Industry is to enhance milk production and upgrade milk processing system by using innovative technologies.

OPPORTUNITIES AND THREATS

Opportunities

- (i) With increased income levels, demand of milk products has gone up. This would mean higher consumption of conventional milk products as also introduction of new milk-based products.
- (ii) Milk is a preferred source of protein by Indian populace. Milk and milk products are therefore likely to get preference from consumers who look for protein rich food.
- (iii) India is the largest producer of buffalo milk which is a preferred variety of milk for making certain type of cheese. It offers a good export opportunity for Indian cheese made of buffalo milk.
- (iv) Huge Employment generation & opportunities for Self-employment.

Threats

- (i) Milk prices are expected to increase due to lower supply of milk resulting into higher cost.
- (ii) Production of milk in India is very widely scattered in rural areas and at vast distances from the places of consumption i.e. urban areas.
- (iii) The trend of adulterated Ghee continues to plague the market which is a serious health risk for the consumers.
- (iv) With increase in education level of young farmers, there is a tendency among the young folk to prefer white collar jobs over conventional dairy farming profession.
- (v) Stiff competition from the established big cooperatives operating in organized sector and small scale producers which are large in numbers.

GROWTH OUTLOOK

The Indian economy is the fastest growing major economy and is projected to grow faster in the coming years.

Rapid urbanization has led to a major increase in the demand for packaged/processed foods, favorably impacting the dairy industry in the country. In the era of digitization and increased access to actionable information, the Indian populace is becoming health and product quality conscious, which has led to the improved variety of food products available in the country. The increase in working population is leading to increased demand for convenient healthy and tasty products by the consumers.

Milk production as well as production of milk products by organized sector is expected to grow at a robust pace. Higher rate of growth is expected in value added dairy products. Western dairy products, which currently occupy a small space, are likely to grow on a faster clip. Packaged milk and products are likely to progressively replace loose milk and products. The Company strives to leverage these opportunities and create innovative products that meet diverse consumer requirements.

EXPANSION PLANS

Company holds on to its long-term vision of becoming a significant player in Dairy Industry.

RISKS & CONCERNS

With rise in education level of rural population, young generation of farmers is showing apathy for their ancestral profession. There is a tendency in them to prefer white collar jobs over dairy farming in its present form.

Government - both Central and State - have increased their focus on ensuring safe food products including milk products to the consumer. However, due to the lack of adequate testing equipments in Government labs, lot of fear and confusion has been created in the minds of industry as well as consumers.

The Company has been able to mitigate such risks by working upon strengthening its supply chain and increasing its customer base.

SEGMENT WISE /PRODUCT WISE REPORTING

The Company is operating in the single segment and engaged in the manufacture and sales of dairy products i.e. pure ghee, skimmed milk powder, whole milk powder. Therefore, segment wise information has not been disclosed.

INTERNAL CONTROL SYSTEM

The Company has structured the internal control system. In view of the large size of the business and to enforce highest levels of transparency, the Company has appointed an independent firm of Chartered Accountants, M/s. Rajeev Pankaj and Associates, to act as the internal auditor of the Company covering nearly all aspects related to the working of the Company. The Company has paid particular attention on proper maintenance of equipments to ensure that they are operated at the rated capacities. The Company has taken the effective steps for the reduction of cost and to improve the quality of the product.

The Company has in place adequate internal controls commensurate with the size and nature of its operations.

The integrated financial accounting system supported by inbuilt controls ensures reliable and timely financial and operational reporting.

The management has taken the stringent steps to give better milk products to the consumer.

FINANCIAL PERFORMANCE

Financial performance of the Company has been given separately in the Directors' Report.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Employees are considered as key stakeholders in the progress of organization and various initiatives are being taken to upgrade their skills. It goes without saying that human resource is of primary importance to any productive activity.

Manpower in the form of labour, supervisors and management personnel are properly selected and deployed to have optimum output and to carry out operations smoothly. Company has laid high emphasis on suitable policies and strategies to up keep the high level of human motivation towards the plant operations. Company is aimed to establish the atmosphere that all human resource from labours to managers behaves in the context of the organizational objectives.

Industrial Relations remained cordial throughout the year under review.

KEY FINANCIAL RATIOS

In accordance with the SEBI (Listing Obligations and Disclosure Requirements 2018) (Amendment) Regulations, 2018, the Company is required to give details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios.

S. No.	Particulars	2024-25	2023-24		% Change Remarks
I	Debtors Turnover Ratio	5.60	7.96	-29.65	Due to less encashment of the debtors
II	Inventory Turnover Ratio	11.34	6.78	67.31	Due to increase in cost of material consumed.
III	Interest Coverage Ratio	2.43	2.18	11.47	NA
IV	Current Ratio	1.19	1.25	-4.61	NA
V	Debt Equity Ratio	0.64	0.66	-2.13	NA
VI	Operating Profit Margin %	5.70	6.65	-14.29	NA
VII	Net Profit Margin %	0.01	1.63	-38.01	Due to decrease in profit after tax.
VIII	Return on Net Worth	0.03	0.04	-0.25	Due to decrease in revenue from operations resulting in decrease in net worth

**Previous year ratios have been revised based on the disclosure requirements under 'Additional Regulatory Information (ARI)' pursuant to amendment to Schedule III of the Companies Act, 2013 vide MCA Notification No. GSR 207(E) dated 24.03.2021 w.e.f. 01.04.2021.*

DISCLAIMER STATEMENT

Statements made in the Report describing the current industry structure, development are based on certain assumptions and expectations. The Company cannot guarantee that these assumptions and expectations are accurate.

For and on behalf of the Board

Place : New Delhi
Date : 12.08.2025

Sd/-
Sudhir Avasthi
Managing Director
DIN:00152375

Sd/-
Harmesh Mohan Sood
Director
DIN:07951620

CERTIFICATE ON THE COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To
The Members of Milkfood Limited

I have examined the compliance of conditions of Corporate Governance by M/s Milkfood Limited for the year ended March 31, 2025, as per the relevant applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

The compliance of conditions of corporate governance is the responsibility of the Management. My examination was limited to the review of procedures and implementation thereof, adopted by the Company for ensuring the compliances of the conditions of Corporate Governance. It is neither an audit nor any expression of opinion on the financial statements of the Company.

On the basis of my review and according to the information and explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations, as applicable to the Company.

I further state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

(Kamlesh Gupta)

Practicing Company Secretary

Membership No. ACS-13862

C.P. No. 10451

UDIN: **A013862G000946541**

Peer Review Certificate No.: 2013/2022

Place : Gurugram

Date : 06/08/2025

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

[Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To
The Members
Milkfood Limited
P.O. Bahadurgarh
Distt. Patiala,
Punjab

I have examined the relevant registers, records, forms and returns maintained / filed by M/s **Milkfood Limited** (CIN: L15201PB1973PLC003746) having its Registered Office at P.O. Bahadurgarh, Distt. Patiala, Punjab, referred to as "the Company") and notices and disclosures received from the Directors of the Company and produced before me 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 my opinion and to the best of my information and according to the verifications (including verification of Director Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary by me and explanations furnished to me by the Company, I hereby certify that none of the Directors on the Board of the Company as on March 31, 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.

Ensuring the eligibility for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

Sd/-

(Kamlesh Gupta)

Practicing Company Secretary

Membership No. ACS-13862

C.P. No. 10451

UDIN: **A013862G000946497**

Peer Review Certificate No.: 2013/2022

Place : Gurugram

Date : 06/08/2025

MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATE

(Regulation 33(2) & Regulation 17(8) read with Part B of Schedule-II of SEBI (LODR) Regulations 2015)

To,
The Board of Directors,
Milkfood Limited
P.O. Bahadurgarh,
Distt. Patiala,
Punjab-147021

We, Sudhir Avasthi, Managing Director (MD) and Sanjeev Kothiala, Chief Financial Officer (CFO) of the Company, certify that:

- A) The Financial Statements and the Cash Flow Statement for the year have been reviewed and to the best of their knowledge and belief:
- (i) these statements do not contain any materially untrue statement or have not omitted any material fact and do not contain any statement that is misleading;
 - (ii) 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.
- B) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violate the Company's code of conduct.
- C) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Company's Auditors and the Audit Committee of the Company's Board of Directors, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D) We have indicated to the auditors and the Audit Committee:
- i) significant changes in the internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii) instances of significant fraud either by the management or an employee having a significant role in the Company's internal control system of financial reporting.

Date : 12.08.2025
Place : New Delhi

Sd/-
Sudhir Avasthi
Managing Director

Sd/-
Sanjeev Kothiala
CFO

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MILKFOOD LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Milkfood Limited** ("the Company"), which comprise the standalone Balance Sheet as at March 31, 2025, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows for the year ended on that date, notes to the standalone financial statements including the material accounting policy information and other explanatory information (hereinafter referred to as "the standalone financial statements").

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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit including total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements 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 (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matter:

Attention is drawn to the Note no 6(ii) regarding Trade Receivables, Note No 8(ii) regarding advance to suppliers, Note No 12(ii) regarding GST, Note No 24 regarding other income, Note No 28(d) in respect of Interest on GST Refund, Note No 15(iii) regarding withdrawal of ESOP scheme resulting in Nil Accounting Impact.

Our opinion is not qualified in respect of these matters.

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 for the year ended March 31, 2025. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

The Key Audit Matter	How the matter was addressed in our audit
Provisions and Contingent Liabilities relating to Taxations, litigations and claims: (Refer note 34) The company operates in various states within India, exposing it to a variety of different Central and State Laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigation and claims. Provisions are required when the company has present obligations (legal or constructive) as a result of past event for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of that obligation.	Our procedures included, but were not limited to the following: - Assessed the appropriateness of the Company's accounting policies relating to provisions and contingent liabilities, in accordance with the applicable accounting standards; - Obtained an understanding of the process, and evaluated the design and tested the operating effectiveness of the key internal controls around the recording and assessment of provisions and contingent liabilities.

The Key Audit Matter	How the matter was addressed in our audit
Contingent liability disclosure is made where there is a possible obligation or present obligation that probably may not require outflow of resources. When there is a possible or present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. The level of judgment of the management in determining the need for quantum of provision or disclosure of contingent liability is high. This judgment is dependent upon significant assumptions and assessment which involves interpretations of various Laws, jurisprudence for which management involves the experts on the subject matter. In view of the uncertainty of the outcome, significance of amounts involved and the subjectivity involved in management's judgments, the matter has been considered as a Key Audit Matter for the Audit of the current year. Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceeding, legal proceedings including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims. The judgment and estimates of the Company could change substantially overtime as new facts emerge as each legal case progresses. Given the inherent complexity and magnitude of potential exposures and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	- On a sample basis, performed substantive procedures on the underlying calculations supporting the amount involved recorded as provisions or disclosed as contingent liability; and - Evaluated the appropriateness and adequacy of related disclosures in the standalone financial statements in accordance with applicable accounting standards. Reviewing the outstanding litigations against the Company for consistency with the previous years, enquire and obtain explanations for movement during the year. Discussing the status of significant known actual and potential litigations with the Company's in-house officials and other senior management personnel who have knowledge of these matters and assessing their responses. Examining the Company's legal expenses and perusing the minutes of the board meetings, in order to ensure that all cases have been identified. Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. For those matters where management concluded that no provisions should be recorded, considered the adequacy and completeness of the Company's disclosures.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Annual Report through Management Discussion and Analysis, Board's Report including Annexures thereto, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. The Annual report. is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's and Board of Directors Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are 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 state of affairs, profit and total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial 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 the 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 scepticism 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 financial controls 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 the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial 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.
- 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 for the year ended March 31, 2025 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

1 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 of accompanying standalone financial statements.
- (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 matters stated in paragraph (i)(vi) below on reporting in relation to audit trail as required under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);

- (c) The standalone financial statements 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 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) The modification relating to the maintenance of accounts and other matters connected therewith in relation to audit trail are as stated in paragraph (b) above on reporting under Section 143(3)(b) of the Act and paragraph (i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
- (g) With respect to the adequacy of the internal financial controls with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in “**Annexure B**” wherein we have expressed an unmodified opinion.
- (h) As required by Section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
- (i) 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 as at 31st March, 2025 on its financial position in its standalone financial statements. (Refer note 34 of financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2025.
 - iii. There has been no delay in transferring amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March, 2025;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 43 to the standalone financial statements, no funds (which are material either individually or in the aggregate) 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 or entity(ies), including foreign entity or entity(ies) (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in any other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in Note 43 to the standalone financial statements no funds (which are material either individually or in the aggregate) have been received by the Company from any person (s) or entities, including foreign entities (“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 (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The interim dividend declared and paid by the Company during the year and until the date of this audit report is in compliance with Section 123 of the Act to the extent it applies to payment of dividend. (Refer Note 39 to the standalone financial statements.)
 - vi. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Company in respect of financial year commencing on 1st April, 2024, has used accounting software’s 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. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with for the period where audit trail is enabled and operated and for this we also relied upon the certificate of the management. Furthermore, the audit trail has been preserved by the Company as per the statutory requirements for record retention where the audit trail feature was enabled. Further, the daily back-up of audit trail (edit log) in respect of its accounting software for maintenance of all accounting records, an accounting software for journal entries has been maintained on the servers as certified by the management

2. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

for **Madan and Associates**

Chartered Accountants

Firm's registration number: 000185N

Place : New Delhi

Date : 29.05-2025

M.K. Madan

(proprietor)

Membership number: 082214

UDIN: 25082214BMLHXU9018

Annexure - A to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- (i) In respect of Company's Property, Plant and Equipment:
- (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment and Intangibles.
 - (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular programme of physical verification of its property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment, capital work-in-progress and relevant details of right-of-use assets were verified during the year and according to the information and explanations given to us no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than those that have been taken on lease and the lease agreements are duly executed in favour of the Company) as disclosed in the Note 3 of standalone financial statements are held in the name of the Company. Original copies of title deeds have not been produced as the same are deposited as security with banks under loan agreement as confirmed by the management.
 - (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use Asset) Capital work in progress or Intangibles Assets during the year.
 - (e) On the basis of the information and explanations given to us and our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2025 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
- (ii) (a) The inventories (except Stock in Transit) were physically verified during the year by the Management at reasonable intervals. For stock in transit subsequent receipts have been linked with the inventory record. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories between the physical stocks and book records.
- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, throughout the year, from banks on the basis of security of current assets etc. In our opinion and according to the information and explanations given to us, the quarterly returns and statements comprising (stock statements, book debt statements, and statements on ageing analysis of the debtors) filed by the Company with such banks as mentioned in note no 42 substantially are in agreement with the unaudited books of account of the Company, of the respective quarters, except for the following:

(All Amounts in Rs Lakhs)

Quarter	Name of the Bank	Name of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies as informed by the Management
Q1	State Bank of India / Canara Bank	Inventory: Raw Material	1671	1623	48	On account of difference in adoption of purchase rates on estimated basis for the purpose of bank whereas the same is considered on weighted average rates as per books.
	State Bank of India / Canara Bank	Inventory: Finished Goods	836	869	(33)	Consequent upon difference in valuation as stated above.

(All Amounts in Rs Lakhs)

Quarter	Name of the Bank	Name of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies as informed by the Management
	State Bank of India / Canara Bank	Inventory: Packing Material	391	441	(50)	On account of difference in adoption of purchase rates on estimated basis for the purpose of bank whereas the same is considered on weighted average rates as per books.
Q2	State Bank of India / Canara Bank	Trade Receivable	7643	7651	(8)	On account of Provision.
	State Bank of India / Canara Bank	Inventory: Raw Material	1538	1044	494	On account of Inadvertence in the valuation of Raw material, certain items were omitted to be reported.
	State Bank of India / Canara Bank	Inventory: Finished Goods	253	268	(15)	On account of difference in provision for obsolete Inventory and estimation difference.
Q3	State Bank of India / Canara Bank	Inventory: Raw Material	1999	1592	407	On account of Inadvertence in the valuation of Raw material, certain items were omitted to be reported.
	State Bank of India / Canara Bank	Inventory: Finished Goods	371	343	28	On account of estimation basis.
Q4	State Bank of India / Canara Bank	Trade Receivable	8262	8240	22	Variance on account of TDS on job charges accounted for in the books subsequent to the filling of quarterly statements.
	State Bank of India / Canara Bank	Inventory: Raw Material	2073	1883	190	On account of Inadvertence in the valuation of Raw material, certain items were omitted to be reported.
	State Bank of India / Canara Bank	Inventory: Finished Goods	748	647	101	On account of Variation as explained above.
	State Bank of India / Canara Bank	Inventory: Stores & Spares	361	373	(12)	Rs 4 lakhs packing material WO and rest on account of estimation difference.

- (iii) (a) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to Companies, firms, Limited liability partnership or any other parties during the year except an aggregate amount of Rs 19 Lakhs as interest free loans were given to the employees in the ordinary course of business. The Balance outstanding as at the end of the year are Rs 23 Lakhs. Further as certified, company has not given any advance in the nature of loan to any party during the year.
- (b) Loan to employees of Rs 19 Lakhs granted during the year are in the ordinary course of the business as per policy of the company and hence prima facie not prejudicial to the interest of the company.
- (c) Stipulations in respect of loans granted to the employees have been laid out and the repayments are regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no overdue amounts outstanding for a period more than ninety days in respect of loans given to employees as stated above.
- (e) The Company has not granted any loan, which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/ advances in nature of loan that existed as at the beginning of the year.

- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loan, which is payable on demand or without specifying the terms or period of payments.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, it has not provided any guarantee or security as specified under section 185 or 186 of the Act. In respect of loans given, in our opinion the provisions of section 186 are complied with. Company has not made any investment during the year. Further, the Company has not entered into any transaction covered under Section 185 of the Act
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit during the year. There are no amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Hence, reporting under clause 3(v) of the Order is not applicable. It is also confirmed by the company that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal in this regard.
- (vi) According to the information and explanations given to us and on the basis of our broad review of the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2014 prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of manufacture of Milk Powder we are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (vii) In respect of statutory dues:
- (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has generally been regular in depositing undisputed statutory dues including Goods and Service tax, Provident Fund, Employees State insurance, income tax, cess and other material statutory dues applicable to it with the appropriate authorities. and there were no undisputed amounts payable in respect of the aforesaid statutory dues in arrears as at 31.03.2025 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues as referred to in sub clause (a) which have not been deposited as at 31.03.2025 on account of any dispute other than disclosed as below:

Name of the Statute	Nature of Dues	Net Amount (Rs. in Lakhs)	Amount paid under protest (Rs. In Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
FSSAI Act	Fine	4.50	Nil	2021-22	Court of ADJ (Jaipur)
FSSAI Act	Fine	2	1	2021-22	Court of ADJ (Agra)
CGST Act 2017	Demand and Penalty	3796	700	2017-2021	Commissioner Appeals (CGST) Ludhiana/Delhi

- (viii) According to the information and explanations given to us and on the basis of our examination of the records there were 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
- (ix) (a) The Company has not defaulted in the repayment of the Loans and interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or any other lender.
- (c) According to the information and explanations given to us, Company has applied the term loans (Including working capital term loans) for the purposes for which the same have been obtained.
- (d) The long-term sources of funds comprising of Share capital, Reserves and Surplus and long-term loans (including security deposits payable after one year) are higher than the long-term application of funds comprising of PPE, CWIP and Biological assets. Further, the current ratio is 1.19 times, therefore, in our opinion on overall examination of balance sheet of the company, no funds raised on short term basis have been utilised for long term purposes.
- (e) According to the information and explanations given to us and on overall examination of standalone financial statements, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary, associates or joint ventures as defined under the Act.
- (f) According to the information and explanations given to us, the Company has not raised any loan on the pledge of securities held in its subsidiary, associates or joint ventures. Accordingly, the requirement of reporting under this clause is not applicable.

- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on examination of records, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partly or optionally) during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) According to the information and explanations given to us and on examination of records, considering the principle of materiality outlined in the Standards of Auditing, to the best of our knowledge no fraud by or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of section 143 of the Companies 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 up to the date of this report.
- (c) As represented by the Management, there was no whistle blower complaints received by the Company during the year (and up to the date of this audit report).
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company and as certified by the management, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the notes to standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under Section 133 of the Act.
- (xiv) (a) In our opinion and according to the information and explanations given to us, the Company has an adequate internal audit system commensurate with the size and the nature of its business as required under the provisions of Section 138 of the Act. However, the system needs to be further strengthened in terms of scope and coverage.
- (b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures. As per internal audit reports, internal controls in respect of certain areas need to be further strengthened.
- (xv) As per the information available and to the best of our knowledge in our opinion during the year the Company has not entered into any non-cash transactions with its Directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a), and(c) of the Order is not applicable.
- (b) In our opinion and based on the information and explanations given to us and as certified by the management, there are Two core investment companies within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016)
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year. Accordingly, clause 3 (xviii) of the order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios disclosed in note 41 of the standalone financial statements, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and 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 indicating that Company is not capable of meeting its liabilities existing 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 up to 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) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

- (b) The Company has spent the required amount u/s 135(5) towards corporate social responsibility by way of contribution to Prime Minister's National Relief Fund as prescribed under schedule VI of the Companies Act 1956 (disclosed in note 40) of the standalone financial statements) and hence reporting under the clause 3(xx)(b) is not applicable.
- (xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

for Madan and Associates
Chartered Accountants
Firm's registration number: 000185N

Place : New Delhi
Date : 29.05-2025

M.K. Madan
(proprietor)
Membership number: 082214
UDIN: 25082214BMLHXU9018

Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of the Company as at 31st March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements 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 ('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 Companies Act, 2013.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing as prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, with reference to financial statements, and the Guidance Note 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 with reference to financial statements were 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, 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 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 with reference to these standalone financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with Reference to Financial Statements 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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, the Company has, in all material respects, an adequate internal financial controls system with reference to these standalone financial statements and such internal financial controls were operating effectively as at 31 March 2025, except in certain areas i.e. inventory management, advances to suppliers etc, which need to be further strengthened, based on the internal control with reference to these standalone financial statements 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 Institute of Chartered Accountants of India.

for Madan and Associates

Chartered Accountants

Firm's registration number: 000185N

Place : New Delhi

Date : 29.05-2025

M.K. Madan

(proprietor)

Membership number: 082214

UDIN: 25082214BMLHXU9018

Standalone Balance Sheet

as at 31st March, 2025

Particulars	Notes	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
A ASSETS			
1 Non-current assets			
Property, plant and equipment	3A	18,256	18,426
Capital work in progress	3B	15	25
Other Intangible Assets	3C	3,364	3,364
Right -of -use -assets	3D	495	110
Biological assets other than bearer plant	4	469	295
Financial assets			
- Investments	5	3	3
- Trade receivable	6	102	49
- Other financial assets	7	121	89
Other non-current assets	8	1,309	1,338
Total non - current assets		24,134	23,699
2 Current assets			
Inventories	9	3,360	3,244
Financial assets			
- Trade receivables	6	8,160	7,676
- Cash and cash equivalents	10A	27	17
- Bank balances other than above	10B	137	227
- Other financial assets	11	352	172
Other current assets	12	1,316	2,045
Assets classified as held for sale	13	-	16
Current tax assets (net)	31A/31B	30	17
Total current assets		13,382	13,414
TOTAL ASSETS		37,516	37,113
B EQUITY AND LIABILITIES			
1 EQUITY			
Equity share capital	14	1,219	513
Other equity	15	16,406	16,982
Total equity		17,625	17,495
2 LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	5,766	6,402
- Lease Liabilities	16A	323	51
- Other financial liabilities	17	1,213	1,213
Deferred tax liabilities (net)	31D	1,083	964
Provisions	18A	247	222
Total non - current liabilities		8,632	8,852
Current liabilities			
Financial liabilities			
- Borrowings	19	5,533	5,059
- Lease Liabilities	16B	193	71
- Trade payables	20		
(i) Total outstanding dues of micro and small enterprises		59	59
(ii) Total outstanding dues other than micro and small enterprises		5,107	5,085
- Other financial liabilities	21	167	235
Other current liabilities	22	65	104
Provisions	18B	135	153
Total current liabilities		11,259	10,766
TOTAL EQUITY & LIABILITIES		37,516	37,113

Basis of preparation, Measurement and Significant accounting policies, 2
The accompanying notes 1 to 44 are an integral part of the standalone financial statements

In terms of our report of even date

For Madan & Associates

Chartered Accountants

FRN : 000185N

M.K.Madan

Proprietor

Membership No.: 082214

Place : New Delhi

Date : 29th May, 2025

For and on behalf of the Board of Directors

Preeti Mathur

Director

DIN: 07951647

Gita Bawa

Director

DIN: 00111003

Sudhir Avasthi

Managing Director

DIN: 00152375

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended 31st March, 2025

Particulars	Notes	For the year ended 31 March, 2025 (Rs. in Lakhs)	For the year ended 31 March, 2024 (Rs. in Lakhs)
1 Income			
(a) Revenue from operations	23	44,776	43,693
(b) Other income	24	188	939
Total income		44,964	44,632
2 Expenses			
(a) Cost of materials consumed	25	37,457	32,809
(b) Changes in inventories of finished goods and work-in-progress	26	(55)	3,090
(c) Employee benefits expenses	27	2,358	2,561
(d) Finance cost	28	1,083	1,353
(e) Depreciation and amortisation expenses	29	710	672
(f) Other expenses	30	2,653	3,265
Total expenses		44,206	43,750
3 Profit before exceptional items and tax (1-2)		758	882
4 Profit before tax		758	882
5 Tax expense/ (credit) (net)			
(a) Current tax	31A	154	227
(b) Tax adjustment for earlier year		2	(100)
(c) MAT credit utilised/ (recognised)		36	(177)
(d) Deferred tax Charged/ (Credit)	31D	114	220
Total tax expenses / (credit)		306	170
6 Profit after tax for the year (4+5)		452	712
7 Other comprehensive income/ Loss			
(a) Items that will not be reclassified to statement of profit and loss			
- Re-measurement gains/ (loss) on defined benefit plans		18	(24)
- Tax impact on re-measurement gain/ (loss) on defined benefit plans		(5)	7
Other comprehensive income/ (loss) for the year (net of tax)		13	(17)
8 Total comprehensive income for the year (6+7)		465	695
9 Earnings per share in Rs (of Rs 5/- each) (P.Y Rs 10/- each)			
(a) Basic	32	1.86	14.27
(b) Diluted	32	1.86	14.27

Basis of preparation, Measurement and Significant accounting policies,

2

The accompanying notes 1 to 44 are an integral part of the standalone financial statements

In terms of our report of even date

For Madan & Associates

Chartered Accountants

FRN : 000185N

M.K.Madan

Proprietor

Membership No.: 082214

For and on behalf of the Board of Directors

Preeti Mathur

Director

DIN: 07951647

Gita Bawa

Director

DIN: 00111003

Sudhir Avasthi

Managing Director

DIN: 00152375

Place: New Delhi

Date: 29th May, 2025

Rakesh Thakur

Company Secretary

Sanjeev Kothiala

Chief Financial Officer

Standalone Cash Flow Statement

for the year ended 31st March, 2025

	For the year ended 31 March, 2025 (Rs. in Lakhs)	For the year ended 31 March, 2024 (Rs. in Lakhs)
A. Cash flow from operating activities:		
Net profit before taxation	758	882
Adjustments for :		
Depreciation and amortisation expense	710	672
Finance costs	1,083	1,353
Liabilities no longer required written back	(2)	(645)
Bad debts/stock/advances written off	-	12
Fair value gain on biological assets	(167)	(84)
Profit on sale of biological assets	-	(22)
Provision for Expected Credit Loss	-	5
Loss/ (Gain) on sale of properties, plant & equipment/Assets held for sale	(14)	(184)
Interest income	(6)	(6)
Cash generated from operations before working capital changes	2,362	1,983
Adjustments for (increase) / decrease :		
Inventories	(116)	3,192
Trade receivables	(537)	(4,487)
Other current & non current assets	653	283
Adjustments for increase / (decrease) :		
Trade payables	25	1,141
Other current & non current liabilities	(107)	(91)
Provision	25	(21)
Cash flow Generated / (Utilized) From Operations	2,305	2,000
Income tax (paid) /refund (net)	(381)	34
Net cash flow / (Utilized) from operating activities (A)	1,924	2,034
B. Cash flow from investing activities:		
Purchase of property, plant and equipments (including CWIP)	(423)	(325)
(Increase)/decrease in biological assets	(8)	21
Proceeds from sale of properties, plant and equipment / Assets held for sale	30	366
Interest received	6	6
Net cash flow from/ (used) in investing activities (B)	(395)	68
C. Cash flow from financing activities:		
Increase/ (decrease) in borrowings	(161)	(558)
Repayment of lease liabilities	(123)	(101)
Proceeds from issue of shares (ESOPS)	-	24
Finance costs paid	(1,083)	(1,333)
Dividend Paid	(152)	(128)
Net cash flow from/ (used) financing activities (C)	(1,519)	(2,096)
Net increase / (decrease) in cash & cash equivalents (A+B+C)	10	6
Cash and cash equivalents at the beginning of the year	17	11
Cash and cash equivalents at the end of the year	27	17

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Indian Accounting Standard 7 'Statement of Cash Flows'.

The accompanying notes 1 to 44 are an integral part of the standalone financial statements

In terms of our report of even date

For Madan & Associates
Chartered Accountants
FRN : 000185N

For and on behalf of the Board of Directors

M.K.Madan
Proprietor
Membership No.: 082214

Preeti Mathur
Director
DIN: 07951647

Gita Bawa
Director
DIN: 00111003

Sudhir Avasthi
Managing Director
DIN: 00152375

Place: New Delhi
Date: 29th May, 2025

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Standalone Statement of changes in equity

for the year ended March 31, 2025

A. Equity share capital (Refer Note 14)

As at 31st March, 2025

(All amounts in Rs. Lakhs)

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 year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
513	-	513	706	1219

As at 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 year	Changes in equity share capital during the current year	Balance at the end of the current reporting year
489	-	489	24	513

B. Other Equity (refer note 15)

As at 31st March, 2025

Particulars	Reserves and Surplus						
	Notes	Share Pending Allotment	Capital Reserve	Securities Premium	Retained Earnings	Share Option Outstanding account	Total
Balance at 1st April, 2024		97	19	4,405	12,461	-	16,982
Changes in accounting policy or prior period item		0		-	-	-	-
Restated balance at the beginning of the current reporting year		97	19	4,405	12,461	-	16,982
Share capital/ bonus shares issued during the year		(97)		(609)		-	(706)
Created during the year		-	-	-	-	-	-
Transferred to Securities premium		-	-	-	-	-	-
Profit/(Loss) for the year	15	-	-	-	452	-	452
Other comprehensive income/(expense) [net of tax]		-	-	-	13	-	13
Total comprehensive income for the year		-	-	-	465	-	465
Prior Period Adjustment (MAT credit)		-	-	-	(183)	-	(183)
Interim Dividend on equity shares for the year (refer note 39)		-	-	-	(152)	-	(152)
Balance as at 31st March, 2025		-	19	3,796	12,591	-	16,406

As at 31st March, 2024

Particulars	Reserves and Surplus						
	Notes	Share Pending Allotment	Capital Reserve	Securities Premium	Retained Earnings	Share Option Outstanding account	Total
Balance at 1st April, 2023		-	-	670	11,894	253	12,817
Changes in accounting policy or prior period item		-	-	-	-	-	-
Restated balance at the beginning of the current reporting year		-	-	670	11,894	253	12,817
Created during the year		97	19	3735	-	253	4,104
Transferred to Securities premium		-	-	-	-	(506)	(506)
Profit/(Loss) for the year	15	-	-	-	712	-	712
Other comprehensive income/(expense) [net of tax]		-	-	-	(17)	-	(17)
Total comprehensive income for the year		-	-	-	695	-	695
Interim Dividend on equity shares for the year (refer note 39)		-	-	-	(128)	-	(128)
Balance as at 31st March, 2024		97	19	4405	12,461	-	16,982

The accompanying notes 1 to 44 are an integral part of the standalone financial statements

In terms of our report of even date

For Madan & Associates

Chartered Accountants

FRN : 000185N

M.K.Madan

Proprietor

Membership No.: 082214

Place: New Delhi

Date: 29th May, 2025

For and on behalf of the Board of Directors

Preeti Mathur

Director

DIN: 07951647

Gita Bawa

Director

DIN: 00111003

Sudhir Avasthi

Managing Director

DIN: 00152375

Rakesh Thakur

Company Secretary

Sanjeev Kothiala

Chief Financial Officer

NOTE 1 CORPORATE INFORMATION & MATERIAL ACCOUNTING POLICIES

Milkfood Limited ("the Company") is a public limited company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office of the Company is located at P.O. Bahadurgarh-147021 Distt. Patiala (Punjab), India. Its shares are listed on Bombay Stock Exchange (BSE). The Company is primarily engaged in the manufacture and sale of dairy products mainly Ghee and Skimmed Milk Powder. The main raw material of the company is milk, which is used to produce Pure Ghee and various types of Milk Powders. For the last few years, the company has changed its policy to produce Pure Ghee and Milk Powders which conforms to the quality standards adopted by the company consistent with its brand image. Quantities of Pure Ghee and Milk Powders are purchased and processed in the plant to give effect to the manufacturing policy and produce a product of high quality on consistent basis. During the year, company has purchased raw milk of rupees three thousand nine hundred sixty nine lakhs and chilled the same as per customer requirement and sold at rupees four thousand seven lakhs included in raw material consumed and revenue from operations respectively. Company has utilized its facilities for conversion of Milk to Ghee / Butter & Milk Powder on job work basis.

The company has two manufacturing locations, one in the state of Punjab at Patiala and one in the state of Uttar Pradesh at Moradabad.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

- (i) The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as 'Ind AS') notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standard) Accounts Rules, 2015, as amended from time to time.
- (ii) These financial statements have been prepared on going concern assumption basis following accrual system of accounting, applying consistent accounting policies for all the periods presented therein. The financial statements were approved for issue by the Board of Directors in accordance with the resolution passed in the Board Meeting held on 29th May, 2025.

Current versus non-current classification

All assets and Liabilities have been classified as current or non- current considering the normal operating cycle of 12 months as per paragraph 66 and 69 of Ind AS 1 and other criteria as per Division II of Schedule III of Companies Act, 2013.

An asset is classified 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.

All other assets are classified as non-current.

A liability is classified as 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.

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 for the purpose of classification of its assets and liabilities as current and non-current.

Presentation and Functional Currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the Company's functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs.

Transactions and balances with values below the rounding off norm adopted by the Company have been reflected as "0" in the relevant notes to these financial statements.

2.2 Basis of measurement

The Ind AS Financial Statements are prepared under the Historical cost convention except for Biological assets (other than Bearer plants), certain class of financial assets/ financial liabilities, defined benefit plans, share based payments which have been measured at fair value as required by relevant Ind ASs. The accounting policies adopted are the same as those which were applied for the previous financial year.

Recent Accounting Developments:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has notified amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, which is applicable to the Company w.e.f. 1st April, 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it is not likely to have any significant impact in its financial statements.

2.3 Material Accounting Policies:

A) Property, plant and equipment (PPE)

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Assets in the course of construction and freehold land are not depreciated.

When an item of property, plant and equipment is scrapped or otherwise disposed off, the carrying amount and related accumulated depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in statement of Profit & Loss.

Company depreciates property, plant and equipment over the estimated useful life as prescribed in schedule II of the Companies Act 2013 on the straight-line method on pro rata basis from the date the assets are ready for intended use.

The estimated useful lives of major components of PPE are as follows:

- Building 30-60 years
- Plant and equipment 35 years*(instead of 15 years as prescribed under schedule II)
- Furniture and Fixtures 8 -10 years
- Vehicles 6 - 10 years (instead of 8–10 years as prescribed under schedule II)
- Office equipments 3 - 6 years (including computer software)

*The company has taken a view on the basis of technical advice that plant in the dairy industry use non-corrosive raw materials, the expected life of the plant and machinery should be 35 years. This is in pursuance of proviso to sub clause (c) of clause 3 of schedule II of the Companies Act 2013.

The Company has not revalued any of its property, plant and equipment during the year.

B) Biological Assets

Biological assets are recorded at a fair value less cost to sell. At each reporting date, subsequently, companies must remeasure this value and record any gains or losses.

All expenses incurred in land preparation, planting and development of trees up to maturity are capitalised as biological assets; all expenses subsequent to maturity are recognised directly in statement of profit and loss account.

Biological assets are stated at revalued amount, which is the fair value at date of revaluation less any accumulated impairment losses as certified by the Agricultural scientist.

C) Intangible Assets

Intangible assets purchased are initially measured at cost. The cost of a separately purchased intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in standalone statement of profit and loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Indefinite-life intangible assets comprises brand, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support. For indefinite-life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

The Company has not revalued any of its intangible assets during the year.

D) Capital work in progress

Capital work in progress is stated at cost, if any. Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Cost includes direct costs, related incidental expenses, other directly attributable costs and borrowing costs. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

E) Leased Assets (Right of Use Assets)

The Company's lease asset classes consist of leases for land and buildings for the purpose of having offices/ various branches. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The Contract involves the use of an identified asset
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Right-of-use assets are initially measured at cost, less any accumulated amortization and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle.

Right-of-use assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Company has not revalued any of its right-of-use assets

Short term Leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. The Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The Company incurred Rs 78 lakhs for the year ended 31st March, 2025 (31st March, 2024: Rs 70 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The incremental borrowing rate applied to lease liabilities is in the range of 11% per annum to 12% per annum.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

F) Impairment of Non Financial Assets

At the end of each reporting period, the Company assesses whether there is any indication that an assets or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of impairment loss (if any). If it is not possible to estimate the recoverable amount of an individual asset, the entity determines the recoverable amount of the Cash Generated Unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flow are discounted at their present value using the appropriate discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flow have not been adjusted.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If the recoverable amount of an assets (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (or cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in the statement of Profit & Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized originally in the statement of Profit & Loss.

No Impairment was identified in FY 2024-25 and in previous FY 2023-24.

G) 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. Financial assets and financial liabilities are recognized when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and Loss.

(i) Financial Assets

(a) Initial recognition and measurement:

Financial assets, except for trade receivables, are recognized when the Company becomes a party to the contractual provisions of the instrument.

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero.

(b) Subsequent measurement of financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets and are classified in four categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

(c) Derecognition of financial assets:

The Company derecognizes a financial asset when

- the contractual rights to receive the cash flows from the asset expire, or
- the Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) It transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or
 - b) The company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and loss on disposal of that financial asset.

(d) Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope.

The Company follows 'simplified approach' for recognition of loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL allowance recognised (or reversed) during the period is recognised as expense (or income) in the standalone statement of profit and loss under the head 'Other expenses'.

(e) Write off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event

(ii) Financial Liabilities

(a) Initial Recognition and Measurement

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts/cash credits.

(b) Subsequent measurement of financial liabilities:

All the financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit and loss. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognized in the standalone statement of profit and loss.

(c) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference in the carrying amounts and the consideration paid is recognized in the Statement of Profit and Loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(H) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs comprises as follow:

- (i) Raw materials and store and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.
- (ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) have been allocated for ascertainment of cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Inventories (including whey powder - by product) are valued on lower of cost or net realizable value.

(I) Fair value measurement

The Company measures certain financial instruments, defined benefit liabilities and equity settled employee share based payment plan at fair value at each reporting date.

Fair value is the price that would be received to sell an assets or paid to transfer a liabilities in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. in the principal market for the asset or liability, or
- ii. in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which are described as follows; level I – III.

Level I input

Level I input are quoted price in active market for identical assets or liabilities that the entity can access at the measurement date

Level II input

Level II input are input other than quoted market prices included within level I that are observable for the assets or liabilities either directly or indirectly.

Level III input

Level III inputs are unobservable inputs for the asset or liability. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(J) Cash and Cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

(K) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(L) Taxation

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to gain on equity instruments (not held for trading) are recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and adjust provisions accordingly where ever appropriate.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

(M) Employee Benefits

(i) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

(ii) Defined Contribution Plans:

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

(iii) Defined benefit plans

Company has an obligation towards gratuity a defined benefit retirement plan covering all employees. The plan provides for a lumpsum payment to employees at retirement/determination of service on the basis of 15 days terminal salary for each completed year of service subject to maximum amount of Rs. 20 Lacs.

Company's liability towards gratuity and compensated absences is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period by independent actuary. Remeasurement, comprising actuarial gains and losses, the effect of the changes, is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognized in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

(N) Revenue Recognition

Sale of Products/Services

Revenue from sale of goods is recognised when control of the products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The Performance Obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Specific recognition criteria described below must also be met before revenue is recognized.

- (a) Conversion charges are recognized on completion of jobs.
- (b) Interest Income is recorded on time proportion basis using the effective rate of Interest (EIR).
- (c) Carbon Credits are recognized on realization basis.

O) Earning per shares

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

P) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company's Managing Director assesses the financial performance and position of the Company, and makes strategic decision and has been identified as the chief operating decision maker. The Company's primary business segment is reflected based on principal business activities carried on by the Company. The company is operating under a single segment i.e., "Dairy Products - comprising Ghee, Milk Powder, Whey powder and Dairy whitener" and therefore there are no reportable segments as per IND AS-108 "Operating Segments" issued under section 133 of Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015.

Q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.

In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the company, and requires interpretation of laws and past legal rulings. The Company does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

R) Use of Key Accounting estimates and judgments

The preparation of financial statements requires management to make estimates, judgements and assumptions in the application of accounting policy that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which it is known/materialised. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (i) Property, Plant and Equipment – Note 3A
- (ii) Indefinite useful life of Intangible Assets – Note 3C
- (iii) Recognition of deferred tax assets/liabilities - Note 31D
- (iv) Measurement of defined benefit obligation – Note 35
- (v) Measurement and likelihood of occurrence of provisions and contingencies - Note 34
- (vi) Measurement of Right of Use Asset and Lease liabilities – Note 3D, 16A and 16B.

MILKFOOD LIMITED
Notes to the Standalone financial statements for the year ended March 31, 2025
3A. Property, plant and equipment

(Rs. in Lakhs)

Particulars	Land	Building	Furniture & Fixtures *	Computers & Peripherals	Vehicles	Plant & Equipment	Total
(I) Gross carrying amount							
As at 1 April 2023	8,142	3,605	241	140	1,465	7,987	21,580
Additions	-	2	34	10	258	14	318
Disposals/ Impaired	-	-	-	-	267	-	267
Reclassified from assets held for sale	-	-	-	-	-	232	232
As at 31 March 2024	8,142	3,607	275	150	1,456	8,233	21,863
Additions	-	-	21	11	334	67	433
Disposals	-	-	-	-	156	4	160
As at 31 st March 2025	8,142	3,607	296	161	1,634	8,296	22,136
(II) Accumulated depreciation							
As at 1 April 2023	-	937	84	61	683	1,180	2,945
Charge for the year	-	155	19	9	182	221	586
Deductions on sale	-	-	-	-	183	-	183
Addition on reclassification	-	-	-	-	-	89	89
As at 31 March 2024	-	1,092	103	70	682	1,490	3,437
Charge for the year	-	155	22	9	173	218	577
Deductions on sale	-	-	-	-	134	-	134
As at 31 March 2025	-	1,247	125	79	721	1,708	3,880
Net Carrying amount (I) - (II)							
As at 31 March 2025	8,142	2,360	171	82	913	6,588	18,256
As at 31 March 2024	8,142	2,515	172	80	774	6,743	18,426

(3B) Capital work in progress:

As at 31 March, 2025	15
As at 31 March, 2024	25
Opening Balance as at 1st April, 2023	17
Additions	13
Capitalisations	(5)
Balance as at 31st March 2024	25
Additions	55
Capitalisations	(65)
Balance as at 31st March 2025	15

(3B.1) Capital work in progress Ageing schedule

Capital work in progress	Amount in CWIP for a period of				
	<1 yr	1-2 yr	2-3 yrs	>3 yrs	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	15	-	15

(3B.2) Represents a project which has been temporarily suspended. Management intends to recommence the same in the near future.

(3C) Other Intangible Assets

Brand	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Gross Carrying amount	3364	-
Acquisitions through business combinations	-	3,364
Net Carrying amount	3364	3364

(3D) Right of use

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Balance as at beginning of the year (In respect of building taken on lease)	110	167
Additions	518	29
Deletion	-	-
Amortisation	133	86
Balance as at end of the year	495	110

Footnotes:

- (i) For details of Property, plant and equipment charged as security of borrowings. Refer Note 16(iii) & Note 19(i).
- (ii) Title deeds of all immovable properties in the name of Company are held by bank
- (iii) Estimated amount of capital contracts remaining to be executed is NIL as the relevant project has been temporarily suspended the management intends to recommence the same in near future. (PY Rs. Nil)
- (iv) *includes office equipment.
- (v) Company has not revalued any PPE and ROU Assets during the year.

Note 4. Biological assets other than bearer plant

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Trees & Plantation	(i)	469	295
Total		469	295

Footnotes:

- (i) Trees and plants are considered biological Assets as per Ind AS 41. During the year company has capitalised Rs. 8 lakhs (P.Y Rs. 8 lakhs) towards lease rentals of land. Company has obtained the certificate of Agricultural Scientist with regard to fair valuation at the reporting date and has accounted the gain of Rs. 167 lakhs on reinstatement during the year (previous year 84 lakh) (refer note 24(c)). Management hopes to generate revenue from the sale of timber of these trees in the subsequent years.

Note 5. Financial assets - Investment

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Investment in equity instruments - unquoted/ Govt.Securities			
(a) MFL Trading Pvt. Ltd 10000 equity shares of 10 each (wholly owned subsidiary company not carrying any activity).		1	1
(b) National saving certificates / Deposits	(i)	2	2
Total		3	3

Footnotes:

(i) Pledged with government authorities (pending confirmation) towards fulfilment of statutory obligations.

Note 6. Trade receivables

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Unsecured considered good		8,162	7,678
Having significant increase in credit risk		110	57
		8,272	7,735
Less: Allowance for expected credit loss			
Having significant increase in credit risk	(i)	10	10
		10	10
Net Trade receivables			
Unsecured considered good		8,162	7,678
Having significant increase in credit risk	(ii)	100	47
		8,262	7,725
Current		8,160	7,676
Non-current		102	49

Below table represents the trade receivables ageing from date of transaction

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025:						
a) Undisputed trade receivables						
Unsecured considered good	8,160	-	-	2	-	8,162
Having significant increase in credit risk	-	-	53	-	57	110
	8,160	-	53	2	57	8,272
Less: Expected Credit Loss						
Having significant increase in credit risk	-	-	-	-	10	10
Net Trade Receivables						
Unsecured considered good	8,160	-	-	2	-	8,162
Having significant increase in credit risk (Refer footnote ii)	-	-	53	-	47	100
	8,160	-	53	2	-	8,262

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024:						
a) Undisputed trade receivables						
Unsecured considered good	7,676	-	-	2	-	7,678
Having significant increase in credit risk	-	-	-	57	-	57
	7,676	-	-	59	-	7,735
Less: Expected Credit Loss						
Having significant increase in credit risk	-	-	-	10	-	10
Net Trade Receivables						
Unsecured considered good	7,676	-	-	2	-	7,678
Having significant increase in credit risk	-	-	-	47	-	47
	7,676	-	-	49	-	7,725

Footnotes:

- In view of insignificant amount of bad debts and timely recovery in earlier years, allowance for expected credit loss is made on the simplified approach of provisions based in earlier years.
- Includes receivables of Rs 47 Lakhs (net of write off/ provisions of Rs 22 Lakhs) from an entity facing an insolvency petition before the NCLT against a claim of Rs 78 Lakhs including interest of Rs 9 lakhs filed before the Resolution Professional. The Company is of the view that it has good chance to recover the amount of claim. As a matter of abundant caution, the amount of Rs 22 Lakhs as stated above has been written off/ provided in the books. Against Rs 53 Lakhs outstanding (unconfirmed) for more than one year no provision is made as company hopes to recover the same in the near future.
- No trade receivables are due from directors or other officers of the company or any of them either severally or jointly with any other person, or from firms or private companies in which any director is a partner, a director or a member. Refer note 36 (b) for information about credit risk .

Note 7. Other Non Current financial assets

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Security deposits	(i)	84	81
(b) Loans and advances to employees (Unsecured, considered good)		35	7
(c) Fixed Deposits with bank (Maturity exceeding 12 months)		2	1
Total		121	89

Footnotes:

- Includes Rs 71 lakhs (Previous year Rs.71 lakhs) with Govt departments and Rs. 8 Lakhs towards leased premise for KMP (P.Y. 5 Lakhs) .

Note 8. Other non current assets

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Unsecured - considered good			
(a) Prepaid expenses		17	14
(b) Deposit with sales tax Authorities	(i)	72	72
(c) MAT credit receivable		965	1,184
(d) Advance to suppliers / Others	(ii)	255	68
Unsecured - considered doubtful			
(e) Advance to suppliers		8	8
Less: Allowance for doubtful advances		(8)	(8)
Total		1,309	1,338

Footnotes:

- (i) Represents the amount deposited as a pre-condition for preferring appeal, the matter is pending before Rajasthan Tax Board . Company is of the view that the Appeal would be decided in its favour and hence no provision has been made.(Refer Note 34a)
- (ii) Includes an amount of Rs.171 Lakhs to suppliers outstanding from earlier years. The management is hopeful for the recovery of entire amount in the near future

Note 9. Inventories

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Work-in-progress		1,493	1,364
(b) Stock in Transit (Raw materials)		465	364
(c) Finished goods		748	921
(d) Stores and spares		318	331
(e) Packing materials	(i)	221	201
(f) Raw materials		115	63
Total		3,360	3,244

Footnotes:

- (i) Includes non moving / slow moving stocks of packing material of Rs 24 lakhs (P.Y. Rs.29 lakhs) Management is of the view that the same will be utilised in the financial year 2025-26. Adjustment if any shall be made in the subsequent year.
- (ii) For details of inventories provided as security for borrowings. Refer Note 19(i)
- (iii) The mode of valuation of inventories has been described in Note 2H.

Note 10A. Cash and cash equivalents

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Cash on hand	26	16
Balance with Bank (in current account)	1	1
Total	27	17

Note 10B. Other Bank Balances

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Earmarked Balances : Unpaid Dividend Account (<i>refer note 39</i>)	(i)	16	64
Fixed Deposit (Maturity within twelve months)		121	163
Total		137	227

Footnotes:

- (i) Towards bank guarantee given to govt. departments/corporations for performance of contractual obligations.

Note 11. Financial Assets - others

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Interest receivable (<i>refer note 28(i)</i>)	(i)	202	5
(b) TDS receivable - Others		27	19
(c) Conversion charges receivable		81	53
(d) Loan/Imprest to employees		22	35
(Unsecured, considered good)			
(e) Earnest money deposit with Govt. Department		20	30
(f) Royalty receivable		-	30
Total		352	172

Footnotes:

- (i) Represent job work executed pending dispatch.
- (ii) In line with circular no.04/ 2015 issued by MCA dated 10-3-2015, loans given to employees as per the Company's policy are not considered for the purpose of disclosure under section 186 (4) of the Companies Act,2013.

Note 12. Other current assets

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Prepaid expenses	(i)	98	96
(b) Advance to suppliers - unsecured, considered good		323	173
(c) Goods & Service Tax credit receivable		168	149
(d) Goods & Service Tax deposit under protest		727	1,627
Total	(ii)	1,316	2,045

Footnotes:

- (i) Represent GST input credit (net).
- (ii) Against the demand of Rs 1896 lakhs with an equivalent amount of penalty created by CGST Ludhiana vide Order dated 29.01.2025 in respect of Patiala Plant, the company has preferred an appeal before CGST Ludhiana appeals dated 24.02.2025. The Company has been legally advised of its success as the facts of the Patiala Plant are similar to that of the Moradabad Plant where the entire demand had been quashed by the Appellate authority(Meerut).

Note 13. Assets classified as held for sale

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Plant & equipment held for sale (Valued at the lower of the fair value less cost to sell & carrying amount)	-	16
Total	-	16

Note 14. Share capital

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares	(Rs. in Lakhs)	Number of shares	(Rs. in Lakhs)
(a) Authorised				
Equity shares of Rs.5 each (P.Y. Rs 10 each)	6,80,00,000	3400	1,95,00,000	1950
Cumulative redeemable preference shares of Rs. 100 each	50,000	50	50,000	50
Total	6,80,50,000	3450	1,95,50,000	2000
(b) Issued, Subscribed and Paid up				
Equity shares of Rs. 5 each fully paid up (P.Y Rs 10 each)	2,43,78,180	1219	51,27,855	513
(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :				
Equity shares of Rs.10 each At the beginning of the year	51,27,855	513	48,86,440	489
Add: Issued during the year on account of Esops	-	-	2,44,000	24
Less: Amount paid on forfeited share 2585	-	-	2,585	0
Add: Issued during the year pursuant to merger/business acquisition	9,66,690	97	-	-
	60,94,545	609	51,27,855	513
Split in the par value of share from Rs.10 to 5 per share	1,21,89,090	609	-	-
Add: (1:1) issue of Bonus shares	1,21,89,090	609	-	-
Outstanding at the end of the year (Rs 5 per share)	2,43,78,180	1,219	51,27,855	513

Footnotes:

- (i) The Company has only one class of equity shares having a face value of Re. 5 per share. Each holder of equity share is eligible for one vote per share.
- (ii) In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Mr. Karamjit Jaiswal	1,06,66,856	43.76%	17,00,024	33.15%
Ms Roshini Sanah Jaiswal	28,00,240	11.49%	7,00,060	13.65%
Dhanvani Investments Pvt. Ltd.	22,43,444	9.20%	5,60,861	10.94%
Sudha Commercial Co. Ltd.	19,56,412	8.03%	4,89,103	9.54%
Jupitor India Fund	-	-	3,15,146	6.15%

- (v) *Vide Board resolution dated 27-03-2023, 2585 partly paid equity shares have been forfeited and received approval from BSE on 04.09.2023. The calls in arrears of Rs.1575 in respect of 290 equity shares have been received.

Details of shares held by promoters in the Company	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Mr. Karamjit Jaiswal	1,06,66,856	43.76%	17,00,024	33.15%
Ms Roshini Sanah Jaiswal	28,00,240	11.49%	7,00,060	13.65%
M/S Blue Skies Investments P. Ltd	1,01,000	0.41%	25,250	0.45%
M/S Snowwhite Holding P.Ltd	92,000	0.38%	23,000	0.49%
Total	1,36,60,096	56.03%	24,48,334	47.74%

Note 15. Other equity

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Securities premium (<i>refer footnote (i)</i>)	3,796	4,405
(b) Retained earnings (<i>refer footnote (ii)</i>)	12,591	12,461
(c) Share Option Outstanding Accounts (<i>refer footnote (iii)</i>)	-	-
(d) Share Application Pending allotment	-	97
(e) Capital Reserve(<i>refer footnote (iv)</i>)	19	19
Total	16,406	16,982

Footnotes:

(i) Securities Premium

The amount received in excess of face value of the equity shares is recognised in Securities Premium. Where the Company issues shares at premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to "Securities Premium account". The company may issue fully paid-up bonus shares to its members out of balance lying in the securities premium account and the company can also use the premium for buy-back of shares. During the year, Company has utilised the amount of Rs 609 lakhs by issue of bonus shares in the ratio of 1:1 to the existing shareholders.

(ii) Retained Earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It also Includes revaluation reserve of Rs. 5,081 lakhs (PY Rs. 5,122 lakhs) [Net of increase in value of Land & Building of Rs 8,530 Lakhs and decrease in the value of Plant & Machinery of Rs 3,080 Lakhs as at 01.04.2016 after adjusting accumulated depreciation of Rs. 369 Lakhs (PY Rs. 328 lakhs) on revalued figure.

(iii) Share Option Outstanding Account

The fair value of the equity-settled share based payment transactions is recognised in standalone statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account.

As per the NRC resolution dated 28.05.2025 ESOP Scheme 2024 has been cancelled/withdrawn on the request of the employees. Bombay Stock Exchange has been informed of the same.

- (iv) Capital Reserve has been created in pursuance of scheme of amalgamation between Triputi Infrastructure Pvt Ltd (Transferor Company) with Milkfood Ltd (Transferee Company) duly approved by NCLT Chandigarh Bench.

- (v) The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

Note 16. Long-term borrowings

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) <u>From Banks: Secured at amortised cost</u>			
Rupee term loan	(i)	510	1,311
Total (a)		510	1,311
(b) <u>From Banks: Unsecured at amortised cost</u>			
Rupee term loan	(i)	-	1
Total (b)		-	1
(c) <u>From Others: Secured at amortised cost</u>			
Vehicle loan	(i)	516	349
Total (c)		516	349
(d) <u>From Others-Unsecured at amortised cost</u>			
Inter corporate Loan (refer footnote(iv))		4,720	4,721
Loan from KMP/relative (refer footnote (vii))		20	20
Total (d)		4,740	4,741
Grand Total (a+ b+c+d)		5,766	6,402

Footnotes:-

(i) Detail of loans:

	Non Current	Current Maturity	Total
a) <u>From Banks: Secured at amortised cost</u>			
State Bank of India	232	211	443
Date of sanction 05/12/2022, no of instalments due 31, ROI Per Annum 12.45%, date of maturity 05/10/2027	(443)	(211)	(654)
Canara Bank Term Loan GECL-2.0	0	69	69
Date of sanction 16/02/2021, no of instalments due 11, ROI Per Annum 9.25%, date of maturity 23/02/2026.	(69)	(75)	(144)
Canara Bank Term Loan GECL-2.0 (Extension)	76	46	122
Date of sanction 03/11/2021, no of instalments due 32, ROI Per Annum @ 9.25%, date of maturity 09/11/2027.	(122)	(46)	(168)
State Bank of India Term Loan GECL-2.0	0	193	193
Date of sanction 04/01/2021, no of instalments due 10, ROI Per Annum @ 9.25%, date of maturity 31/01/2026	(192)	(231)	(423)
State Bank of India Term Loan GECL-2.0 (Extension)	201	116	317
Date of sanction 24/11/2021, no of instalments due 33, ROI Per Annum @ 9.25%, date of maturity 31/12/2027	(318)	(125)	(443)
Canara Bank Term Loan-Quasi Loan	0	167	167
Date of sanction 30/09/2022, no of instalments due 6, ROI Per Annum @ 12.05%, date of maturity 30/09/2025	(167)	(333)	(500)
b) <u>From Banks: Unsecured at amortised cost</u>			
Canara Bank-Vehicle Loan	0	1	1
Date of sanction 13/07/2022, no of instalments due 4, ROI Per Annum @ 10.00%, date of maturity 14/07/2025	(1)	(3)	(4)
ICICI Bank Ltd	0	0	0
Date of sanction 02/09/2021, no of instalments due 0, ROI Per Annum @ 15%, date of maturity 05/09/2024	0	(10)	(10)

	Non Current	Current Maturity	Total
c) <u>From Others: Secured at amortised cost</u>			
Vehicle Loan			
(i) Kotak Mahindra Prime Ltd (Various Loans), 1st date of sanction 05/05/2022 as per repayment schedule, no of instalments due 485, ROI Per Annum @ 9.75%, to 15.65%, last date of maturity 05/03/2028.	516 (349)	513 (376)	1,029 (725)
(ii) Mercedes Benz Financial Services (Various Loans), 1st date of sanction 01/12/2024 as per repayment schedule, no of instalments due 101, ROI Per Annum @ 8.60%, last date of maturity 04/01/2028.			
d) <u>From Others-Unsecured at amortised cost</u>			
NBFC - (Two Loans) Date of sanction 03.05.2020, no. of instalments due 01, ROI Per Annum @ 15.5% to 17%, date of maturity 4th April '2024.	- -	- (60)	- (60)
Total	1,026 (1,661)	1,314 (1,470)	2,340 (3,131)

- (ii) Figures in bracket relates to the previous year. Interest rate above represent prevailing rates.
- (iii) a) SBI Term Loan of Rs 1000 Lakhs was primarily secured on 1st pari passu basis of entire current assets including stocks of raw materials, stores, spares, Stock in Progress, Finished Goods, including goods in transit, book debts (etc.) and collaterally secured by 1st pari passu charge through equitable mortgage of factory land and building located at Bahadurgarh Patiala, hypothecation of Movable fixed assets of the company excluding vehicles and assets financed by other lenders and charge over company's Brand. Further the loan is guaranteed by the two promoters.
- b) GECL-2.0 and as extended (WCTL) of SBI are secured by way of extension of 2nd charge over the existing primary and collateral securities including mortgages created in favour of the consortium banks on pari passu basis. Refer Note 19(i)
- c) GECL 2.0 and as extended (WCTL) of Canara Bank are secured by 1st Pari passu Charge on entire Current Assets of the Company including Receivables and collaterally secured by pari passu charge on equitable mortgage of Factory land and building located at Bahadurgarh, Patiala. Refer Note 19(i).
- d) Canara Bank Term Loan of Rs 1000 Lakhs was primarily secured by 1st pari passu charge on entire current assets of the Company including receivables and collaterally secured through pari passu charge on equitable mortgage of factory land and building located at Bahadurgarh Patiala - Punjab and hypothecation of Plant and Machinery.
- (iv) Date of agreement: 08.08.2022, tenure 10 years, rate of interest 10.25% p.a
- (v) The company has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken.
- (vi) There has been no default in respect of repayment of borrowings and interest. Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- (vii) Represents the Loan from directors of the erstwhile company merged in accordance with the scheme of amalgamation between Trupati Infrastructure Pvt Ltd (Transferor Company) with Milkfood Ltd (Transferee Company) duly approved by NCLT Chandigarh Bench.

Note 16A. LEASE LIABILITIES (Non current)

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Lease Liabilities	323	51
Total	323	51

Note 16B. Lease Liabilities (Current)

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Lease Liabilities	193	71
Total	193	71

Movement in the Lease Liabilities (Non Current and Current is as follows):

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Balance as at the beginning of the year	122	174
Add: Addition	518	29
Add: Accretion of interest	33	19
Less: Payments	157	100
Balance as at the end of the year (refer note 36(c) for maturity analysis)	516	122

Note 17. Financial liabilities - other

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Security deposits	(i)	1,212	1,212
(b) Other payable	(ii)	1	1
Total		1,213	1,213

Footnotes:

- (i) Company has treated a sum of Rs 1212 lakhs payable to suppliers as security deposit received as non current liability as per trade practice followed consistently in the past .
- (ii) Payable to ex-employee pending final decision of court.

Note 18. Provisions

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(A) Non current			
(a) Provision for employee benefits:			
Gratuity		215	194
Compensated absences		32	28
Total		247	222
(B) Current	(i)		
(a) Provision for employee benefits:			
Gratuity		124	142
Compensated absences		11	11
Total		135	153

Footnotes:

- i) Provision for Gratuity and compensated absences have been made in terms of IND AS-19.(Refer note no. 35).

Note 19. Financial liabilities - short -term borrowings

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
From bank/ others - secured/ unsecured			
a) Cash credit	(i)	4,219	3,589
b) Current maturities of long term debts (Refer note 16(i))		1,314	1,470
Total		5,533	5,059

Footnotes:

- (i) Cash Credit limit sanctioned by State Bank of India/Canara Bank are secured by hypothecation on pari passu basis on all present & future current assets including stocks and book debts and extension of charge on pari-passu basis on the Property,Plant and Equipment (excluding vehicles) of the company and exclusive charge on the Brand "MILKFOOD". Refer Note 16(iii).
- (ii) The company has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken.
- (iii) Company has not been declared as wilful defaulter by any bank or financial institution or any other lender.

Note 20. Financial liabilities - Trade payables

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Total outstanding dues of micro enterprises and small enterprises	(i)	59	59
(b) Total outstanding dues other than above		5,107	5,085
Total		5,166	5,144

Below table represents the trade payables ageing from the date of transaction:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025:					
Undisputed trade payables					
Micro enterprises and small enterprises	59	-	-	-	59
Others	5,107	-	-	-	5107
	5,166	-	-	-	5,166
As at 31 March 2024:					
Undisputed trade payables					
Micro enterprises and small enterprises	59	-	-	-	59
Others	5,085	-	-	-	5085
	5,144	-	-	-	5,144

Footnote:

- (i) This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
- (ii) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
A(i) Principal amount remaining unpaid	59	59
A(ii) Interest amount remaining unpaid	-	-
B Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
C Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
D Interest accrued and remaining unpaid.	-	-
E 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 enterprises.	-	-

Note 21. Other financial liabilities - current

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Outstanding expenses including salary & wages etc.	(i)	144	155
(b) Staff advances		7	16
(c) Unpaid Dividend (refer note 39)		16	64
Total		167	235

Footnotes:

- (i) Includes rent payable for earlier years of Rs. 3 Lakhs (P.Y. Rs. 3 Lakhs) pending court case.
- (ii) 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: Nil).

Note 22. Other current liabilities

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Statutory remittances (Contribution to PF & ESI, TDS, GST, etc)	57	71
(b) Advances from Customers	8	33
Total	65	104

Note 23. Revenue from operations

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Sale of products (Net of sales return, volume rebates)	(i)	42782	41,564
(b) Other operating revenues	(ii)	1994	2,129
Revenue from operations		44776	43,693

Footnotes:

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(i) Sale of products comprises:		
- Ghee	38386	41,337
- Milk & Milk powder	4396	227
Total	42782	41,564
(ii) Other operating revenues comprises:		
Sale of scrap	18	11
Sale of Carbon Credit (Refer Note No 2.16(e))	3	-
Misc Balance Written Back	-	2
Royalty	-	30
Conversion charges	1973	2,086
Total	1994	2,129

Note 24. Other income

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Interest income		6	6
(b) Liability no longer required		2	643
(c) Fair value gain on reinstatement of biological assets (Refer Note 4(i))	(i)	166	84
(d) Profit on sale of "Assets held for sale"/ PPE		14	184
(e) Misc Receipts		-	-
(f) Profit on sale of biological assets		-	22
Total		188	939

Footnotes:

- (i) Represents gain towards fair valuation of Biological assets i.e. Trees and Plantation on the basis of certificate received from Agriculture Scientist Officer.

Note 25. Cost of material consumed

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Raw materials	(i)		
Inventories at the beginning of the year		63	-
Add: Purchases		36,537	31,865
Less: Inventories at the end of the year		115	63
Consumption (a)		36,485	31,802
(b) Packing materials			
Inventories at the beginning of the year		201	252
Add: Purchases		992	956
Less: Inventories at the end of the year		221	201
Consumption(b)		972	1,007
Total (a+b)		37,457	32,809

Footnotes:

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(i) Raw material consumed comprises:		
Fat & butter	32,299	31,407
Milk and Milk Powder	4,186	395
Total	36,485	31,802

Note 26. Changes in inventories of finished goods and work-in-progress

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
<u>Inventories at the end of the year:</u>		
Finished goods	748	921
Work-in-progress	1,491	1,365
Stock in Transit	466	364
	2,705	2,650
<u>Inventories at the beginning of the year:</u>		
Finished goods	921	3,409
Work-in-progress	1365	2,331
Stock in Transit	364	-
	2,650	5,740
Net (increase) / decrease	(55)	3,090

Note 27. Employee benefit expenses

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Salaries, wages and other benefits	(i)	2074	2026
(b) Contributions to provident funds / ESI		126	142
(c) Gratuity & compensated absences	(ii)	64	69
(d) Share Based Payment (refer note 15(iii))		-	253
(e) Staff welfare expenses		94	71
Total		2358	2561

Footnote:

- (i) Includes bonus of Rs. 23 lakhs (P.Y. Rs. 17 lakhs) under the payment of Bonus (Amendment) Act 2015.
- (ii) Provision for Gratuity and compensated absences have been made during the year in terms of IND AS-19 (Refer note no. 35).

Note 28. Finance costs

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Interest expense			
on Term Loan		202	404
on Cash Credit		421	363
on Inter Corporate Loan		484	494
on Lease Liabilities (ROU)		31	20
(b) Other borrowing costs (Bank and other financing charges)		145	72
(c) Total (a+b)=c		1283	1353
(d) Less: Interest on GST Refund	(i)	(199)	-
Total (c-d)		1083	1353

Footnote:

- (i) Represents interest receivable on account of refund of pre-deposit of CGST of Rs 900 lakhs in pursuance of an appeal preferred and won against the demand created by the CGST Moradabad. The figure of interest is calculated by the management as legally advised but yet to be confirmed by the Authority. Company is hopeful of receiving the refund order in near future.

Note 29. Depreciation & amortisation expenses

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
a) Depreciation of property, plant and equipment (Refer Note no. 2.3(A))	577	586
b) Amortisation of right-of-use assets (Refer Note 2(C)).	133	86
Total	710	672

Note 30. Other expenses

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Consumption of stores and spare parts		90	86
Power and fuel		878	1,174
Repairs and maintenance:			
- Building		19	27
- Machinery		84	100
Freight & forwarding expenses		341	322
Commission		5	6
Selling & distribution expenses		57	55
Advertisement expenses		20	17
Rates and taxes		53	65
Rent		78	70
Auditors remuneration	(i)	21	24
Office maintenance & house keeping		221	181
Legal & professional		163	210
Insurance expenses		105	96
Travelling & hotel expenses		59	73
Vehicle expenses		71	79
Watch & ward expenses		41	39
Postage & telephone expenses		20	18
Bad Debts/ Stock/ Advances written off		-	12
Provision for doubtful debts		-	5
Contribution for corporate social responsibility (CSR) (refer note.40)	(ii)	13	11
Miscellaneous expenses		314	595
Total		2,653	3,265

Footnote:

(i) Auditors remuneration

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
- Audit fee	16	16
- Tax Audit	4	4
- Tax representation	-	4
- Reimbursement of expenses	1	-
Total	21	24

(ii) Contributed to PM's National Relief Fund.

Note 31 (A). Current tax liabilities

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Provision for tax	154	227
Total	154	227

Note 31 (B). Current tax assets

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Advance tax /TDS /TCS	185	244
Total	185	244

Note 31 (C) Reconciliation of Tax expenses as per taxable profits and accounting profits

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Income tax related to items charged or credited to statement of profit and loss during the year:		
(a) Statement of profit and loss		
Current tax	154	227
Tax Adjustment for earlier years	2	(100)
MAT credit utilised/ (recognised)	36	(177)
Deferred tax charge / (credit)	114	220
Total (a)	306	170
(b) Other comprehensive income		
Deferred tax charge/(credit) on	-	-
Re-measurement of defined benefit plan	5	(7)
Total (a+b)	311	163
Reconciliation of tax expense:		
Accounting profit before income tax	758	882
Applicable tax rate	0	27.82%
Computed tax expenses	210	245
Tax impact of adjustments while computing taxable profits/ Book profits u/s 115JB	(20)	(118)
Tax impact of brought forward losses and depreciation	-	-
Deferred tax impact of temporary timing differences	114	220
Tax adjustment for earlier years including MAT credit	2	(177)
Income tax expense reported in statement of profit and loss account	306	170

Note 31 (D) Deferred Tax
(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2025			
	As at 01 April, 2024	Recognised in		As at 31 March, 2025
		Profit & Loss	OCI	
<u>Tax effect of items constituting deferred tax liability</u>				
Property, plant and equipment	1,407	63	-	1470
Right of Use (Ind as 116)	30	108	-	138
(A)	1,437	171	-	1608
<u>Tax effect of items constituting deferred tax assets</u>				
Carried forward loss / unabsorbed depreciation	-	-	-	-
Provision for gratuity and compensated absences	104	7	(5)	106
Disallowances under section 43B of the Income Tax Act, 1961	3	(-)	-	3
Provision for doubtful debts	3	(-)	-	3
Mat credit	329	(60)	-	269
Lease Liability (Ind as 116)	34	110	-	144
(B)	473	57	(5)	525
Deferred tax liability (net) (A-B)	964	114	5	1083

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2024			
	As at 01 April, 2023	Recognised in		As at 31 March, 2024
		Profit & Loss	OCI	
<u>Tax effect of items constituting deferred tax liability</u>				
Property, plant and equipment	1,125	282	-	1,407
Right of Use (Ind as 116)	50	(20)	-	30
(A)	1,175	261	-	1,437
<u>Tax effect of items constituting deferred tax assets</u>				
Carried forward loss / unabsorbed depreciation	-	-	-	-
Provision for gratuity and compensated absences	108	(11)	7	104
Disallowances under section 43B of the Income Tax Act, 1961	4	(1)	-	3
Provision for doubtful debts	-	3	-	3
Mat credit	262	67	-	329
Lease Liability (Ind as 116)	51	(17)	-	34
(B)	425	41	7	473
Deferred tax liability (net) (A-B)	750	220	(7)	964

Note 32. Earnings per share

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Net profit attributable to equity shareholders (Rs. in Lakhs)	452	712
Weighted average number of equity shares used for computing basic earning per share (Nos.)	2,43,78,180	49,91,482
Weighted average number of equity shares used for computing diluted earning per share (Nos.)	24378180	49,91,482
Par value per share (In Rs.)	5	10
Earnings per share - Basic (in Rs.)	1.86	14.27
Earnings per share - Diluted (in Rs.)	1.86	14.27

Note 33. Related party disclosures

(A) Details of related parties with whom the company had transactions during the year.

Description of relationship	Names of related parties
(a) Enterprises over which KMP, major shareholder is able to exercise significant influence	Jagatjit Industries Ltd., Pashupati Properties P.Ltd, Anjani Estate P.Ltd , Mata Construction & Builders P.Ltd, Ispace Developers (P) Ltd. MFL Trading Pvt Ltd (Wholly owned subsidiary Company)
(b) Key Management Personnel (Managing Director / COO/ CFO/Company Secretary/Directors and their relatives) Mr Karamjit Jaiswal	Mr Karamjit Jaiswal Ms Roshini Sanah Jaiswal Mr Sudhir Avasthi (Managing Director) Mr Deepankar Barat (President) Mr Amarbaljeet Singh (COO) Mr Harmesh Mohan Sood (Director) Ms Gita Bawa (Independent Director) Mr Anil Girotra (Independent Director) Ms Preeti Mathur (Director) Ms Namita Swain (Independent Director) Mr Sanjeev Kothiala (CFO) Mr Rakesh K Thakur (CS) Mrs Shakun Jaiswal (Relative of KMP) deceased on 03.07.2024

(B) Transactions with related parties during the year:

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
i) Electricity expenses reimbursed to Jagatjit Industries Ltd	16 (16)	- -	16 (16)
ii) Rent (Lease liabilities including interest paid)			
a) Jagatjit Industries Ltd	41 (41)	- -	41 (41)
b) Pashupati Properties Pvt .Ltd	12 (12)	- -	12 (12)
c) Anjani Estate Pvt.Ltd	11 (11)	- -	11 (11)
d) Mata Construction & Builders Pvt. Ltd	12 (12)	- -	12 (12)
iii) Reimbursement of other expenses incurred by Jagatjit Industries Ltd on behalf of Company	- (1)	- -	- (1)
iv) Inter corporate loan received from Ispace Developers Pvt Ltd	- (700)	- -	- (700)
v) Inter corporate loan repayment to Ispace Developers Pvt Ltd	- (230)	- -	- (230)
vi) Interest paid to Ispace Developers Pvt Ltd	484 (494)	- -	484 (494)

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
vii) Managerial Remuneration (Perks valued as per IT Rules)			
Mr Karamjit Jaiswal	-	118	118
Mr Sudhir Avasthi (Managing Director) (refer footnote (vii))	-	235	235
Mr Deepankar Barat (President) (refer footnote (vii))	-	250	250
Mr Amarbaljeet Singh (COO) (refer footnote (vii))	-	58	58
Mr Harmesh Mohan Sood (Director) (refer footnote (vii))	-	18	18
Mr Sanjeev Kothiala (CFO) (refer footnote (vii))	-	60	60
Mr Rakesh K Thakur (CS)	-	17	17
Total Managerial Remuneration		756 (1,615)	756 (1,615)
viii) Rent			
Mr Karamjit Jaiswal	-	7	7
	-	(4)	(4)
Mrs Shakun Jaiswal	-	1	1
	-	(4)	(4)
Ms Roshini Sanah Jaiswal	-	4	4
	-	(4)	(4)
ix) Directors sitting fees			
Ms Gita Bawa (Independent Director)	-	1	1
Mr Anil Girotra (Independent Director)	-	1	1
Ms. Preeti Mathur (Director)	-	1	1
Mr H M Sood (Non Executive Director)	-	2	2
Ms. Namita Swain (Independent Director)	-	1	1
Total Director sitting fees		7 (6)	7 (6)
x) Amount receivable/ (Payable) (Jagatjit Industries Ltd)	12 (5)	- -	12 (5)
xi) Inter Corporare deposit (Payable) (Ispcae developers Private Limited Ltd)	(4,720) (4,720)		(4,720) (4,720)

Footnote:

- No amounts have been written off / provided for or written back during the year in respect of amounts receivable from or payable to related parties. There have been no guarantee provided or received to/ from related party in respect of any debt/ obligation of the related party or of Company except personal guarantee given by promoters in respect of secured loans from banks.
- Related parties have been identified by the management.
- Rent (lease liability including interest) is certified by the the management as per prevalent market rates and for business purposes of the group.
- As the defined benefit plans and compensated absences are provided on actuarial basis for the group as a whole, the amount pertaining to Key Managerial Personnel are not included above.
- Related parties transactions are done in the ordinary course of business and are at arms length. Outstanding balances at the year end are unsecured .Refer note 16(iv) for Terms and conditions of loans taken from related party.
- Figures in bracket relates to the previous year.

Note 34. Contingent liabilities

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Claims against the company not acknowledged as debts*		
(a) Sales tax <i>Refer Note no.8(i)</i>	71	71
(b) Others	7	7
(c) Goods and Service Tax (<i>refer note 12(ii)</i>)	3,796	-
Total	3,874	78

Footnote

- (i) *The company is contesting these demands and the management, based on advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has accrued in the standalone financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations. The company does not expect any reimbursements in respect of the above contingent liabilities.
- (ii) In addition, the company is subject to legal proceedings claims, which have arisen in the ordinary course of business. The company's management reasonably does not expect that outcome of these legal proceeding etc, when ultimately concluded and determined, will have adverse material effect on the company's results of operations or financial condition.

Note 35. Employee benefits

(A) Defined contribution plans

The company has recognised the following amounts in the statement of profit and loss:

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Employers' contribution to provident fund and family pension fund (Govt.)	124	122

(B) Defined benefit plans

The company operates on one defined benefit plan i.e., gratuity for its employees including Key managerial personnel except Mr Karamjit Singh Jaiswal , Ms Roshini Sanah Jaiswal , Mr. Deepankar Barat & Mr. Amarbaljeet Singh . Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service subject to maximum of Rs. 20 lakhs.

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Expense recognised in the statement of profit and loss:		
Under profit and loss section		
Current service cost	32	33
Net interest cost	23	21
	55	54
Under other comprehensive income section		
Actuarial (gains)/losses		
Due to experience adjustments	(24)	22
Difference in Present value of obligations	6	2
	(18)	24

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(b) Net liabilities recognised in the balance sheet		
Present value of obligation	339	336
Fair value of plant assets	-	-
Funded status (deficit)	339	336
Net liabilities recognised in the balance sheet accounted for as below:		
Provision non current (refer note 18 A)	215	194
Provision current (refer note 18 B)	124	142
(c) Present value of defined benefit obligation		
Present value of obligation at the beginning of year	336	336
Current cost	32	33
Interest cost	23	21
Remeasurement due to		
Actuarial loss/(gain) arising on account of experience changes	(25)	23
Actuarial loss/(gain) arising from difference in present value of obligations	6	2
Benefits paid	(35)	(79)
Present value of defined obligation at the end of the year	338	336
(d) The principal assumptions used in determining defined benefit obligations as per Ind AS -19:		
Financial Assumptions		
Discount rate	6.83%p.a	7.23%p.a
Salary rise	3.5%p.a to 5% p.a	3.5%p.a to 5% p.a
Attrition rate	5% p.a	5% p.a
Demographic Assumption		
Mortality Table	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority promotion (as per HR policy) and other relevant factors, such as supply and demand in the employment market.

(e) Sensitivity analysis:

	For the year ended 31 March, 2025	
	1% increase	1% decrease
Discount rate	(14)	15
Salary increase rate	14	(14)
Employee attrition rate	1	(2)

	For the year ended 31 March, 2024	
	1% increase	1% decrease
Discount rate	(12)	14
Salary increase rate	13	(12)
Employee attrition rate	2	(2)

The sensitivity analysis have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting year.

Note: 36. Financial risk management objectives and policies

The company's principal financial liabilities comprise borrowings, Security Deposits Received, trade and other payables etc. The main purpose of these financial liabilities is to finance the company's operations. The company's principal financial assets include , trade and other receivables, cash and cash equivalents and security deposits that are out of regular business operations.

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Company operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. The company's senior management oversees the management of these risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rate relates primarily to the company's borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the company's profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Lakhs)

	31 March, 2025		31 March, 2024	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(117)	117	(122)	122

The impact of increase of 1% in rate of interest shall be mitigated by the increase in the volume based turnover. Further there is a huge related party borrowings on long term basis, there would be no difficulty in negotiating the lower rate if the situation so demands.

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There does not seem to be any significant risk as transaction in foreign currency are not there.

As there is no significant foreign currency risk, sensitivity analysis showing impact on profit is not calculated.

iii. Commodity price risk

The Prices of the raw material mainly loose ghee keep fluctuating frequently due to volatility in the prices of Raw Milk. and the company tries to pass the same to the customers through appropriate adjustment to selling prices. The major players both on supply chain of loose ghee and market chain of FG are in unorganised sector and at times the company has to pay more for supply and receive less for sales. Company is trying to work on seamless chain of supply and sales at most reasonable prices.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The company's exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the company does not expect any credit risk with respect to these financial assets. In majority of cases of Trade receivables are collected in time. The trade receivables are subject to monthly review. Expected Credit Loss is too low considering the past record and management does not foresee any significant change in near future. In view of insignificant credit risk sensitivity analysis showing impact on profit is not calculated

(c) Liquidity risk

Liquidity risk is the risk that the Company will face in meeting its obligations associated with its financial liabilities. The Company's approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The table below summarises the maturity profile of the company's financial liabilities:

(Rs. in Lakhs)

	Maturities			Total
	Upto 1 year	1-2 years	more than 2 years	
31-Mar-25				
Non-current borrowings	693	333	4,740	5766
Current borrowings*	5,533	-	-	5533
Trade payables	5,166	-	-	5166
Lease Liabilities	193	202	121	516
Other financial liabilities**	167	-	1,213	1380
Total	11,752	535	6,074	18361
31-Mar-24				
Non-current borrowings	1,155	386	4,861	6402
Current borrowings*	5,059	-	-	5059
Trade payables	5,144	-	-	5144
Lease Liabilities	71	51	-	122
Other financial liabilities**	235	-	1,213	1448
Total	11,664	437	6,074	18,175

* Current borrowings represent working capital loan (Cash credit) and Current maturities of Long term borrowings

** Includes security deposits taken from suppliers and distributors which is payable on demand but beyond 12 months from the reporting date as certified by the management and confirmed by the suppliers and distributors.

Note: 37. Capital management

The Company manages its capital to ensure that the Company will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity. For the purpose of the company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders.

The company monitors capital using a gearing ratio, which is net debt divided by total capital. The company includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances. The Company manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financials covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The capital structure is monitored on the basis of net debt to equity and maturity profile of the overall debt portfolio of the Company.

Particulars	Notes	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Non-current borrowings	16	5,766	6,402
Current borrowings	19	5,533	5,059
Less: Cash and cash equivalents	10A	27	17
Less: Other Bank balances	10B	137	227
Net debt		11,135	11,217
Equity share capital	14	1,219	513
Other equity	15	16,406	16,982
Total capital		17,624	17,495
Gearing ratio		63%	64%

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 borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No significant changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

Note 38. Fair value measurement

- (i) All the financial assets and financial liabilities of the company are carried at amortised cost.
- (ii) The management assessed that the carrying values of trade and other receivables, deposit, cash and short term deposits, other assets, borrowings, trade and other payables reasonably approximate their fair values because these instruments have short-term maturities.
- (iii) It is view of the management that fair value impact of long term security deposits/loan paid or payable would not be material.

Note 39: Interim Dividend on Equity Shares

The Board of Directors in the meeting held on 25.06.2024 declared an interim dividend of 2.50/- per equity share valuing at Rs 153 Lakhs and accordingly Rs 132 Lakhs (net of TDS of Rs 14 Lakhs) has been paid as tabulated below:

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Dividend per share (par value Rs 5/- each) (previous year Rs. 10/- each) Interim dividend	2.50	2.50

Note 40: Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are defined in schedule VII of the Companies Act which inter- alia includes contribution to the Prime Minister National Relief Fund, PM Cares Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
i) Amount required to be spent by the company during the year	13	11
ii) Amount of expenditure incurred	13	11
iii) Shortfall at the end of the year	Nil	Nil
iv) Total of previous years shortfall	Nil	Nil
v) Reason for shortfall	N.A	N.A
vi) Nature of CSR Activities	Contribution to Prime Minister's National Relief Fund	

41: Disclosure related to key financial ratios:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2025	For the year ended 31 March, 2024	% Change	Reason for variance
a. Current ratio (in times)	Current assets	Current liabilities	1.19	1.25	-4.61%	N.A
b. Debt-equity ratio (in times)	Total debt	Equity	0.64	0.66	-2.13%	N.A
c. Debt service coverage ratio (in times)	Earnings available for debt service:= Net Profit after taxes+ Non cash operating expenses+ Interest -Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service= Interest and lease payments + Principal repayments	1.57	1.18	33.29%	Due to increase in earnings available for debt service
d. Return on equity (in %)	Net profits after taxes	Average shareholder's equity	2.58	4.62%	-44.24%	Due to decrease in profit after taxes.
e. Inventory turnover Ratio (in times)	Cost of material consumed+ Purchase of stock -in -trade	Average inventory	11.34	6.78	67.31%	Due to increase in cost of material consumed.
f. Trade receivables turnover ratio (in times) Refer footnote (i)	Revenue from operations	Average accounts receivable	5.60	7.96	-29.63%	Due to less encashment of the debtors
g. Trade payables turnover ratio (in times) Refer footnote (ii)	Net credit purchases	Average trade payables	7.27	7.16	1.48%	NA
h. Net capital turnover ratio (in times)	Net sales	Working capital	21.09	16.50	27.85%	Due to increase in revenue from operations.
i. Net profit ratio (in %)	Net profits after taxes	Net sales	1.01	1.63%	-38.02%	Due to decrease in profit after taxes.
j. Return on capital employed (in %) refer footnote (iv)	Earning before interest and taxes	Capital employed	6.03	7.44%	-18.90%	N.A
k. Return on investment (in %) Refer footnote (iii)	Income generated from investments	Time weighted average investments	-	-	-	-

Footnote

- i) Revenue represents sale of Finished products, Job work charges, carbon credit sales, scrap sales. In the absence of availability of figures of Net credit sales, total revenue has been considered as numerator.
- ii) In the absence of availability of figures of Net credit purchases, total purchases has been considered as numerator.
- iii) In view of the fact that the income generated during the year from the Margin money with the Bank (considered as other bank balances) is immaterial and insignificant amount of investment in the loss making subsidiary company, the ratio is not calculated.
- iv) Capital Employed = Total equity + Long term borrowings+ Short term borrowings+ deferred tax liabilities+Lease liabilities (current and non current)+ interest accrued on debt

Note 42. Borrowings secured against current assets

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies
Q-1	State Bank of India / Canara Bank	Trade Receivable	6771	6,775	(4)	Round off diff
	State Bank of India / Canara Bank	Inventory - Raw Material	1671	1,623	48	On account of difference in adoption of purchase rates on estimated basis for the purpose of bank whereas the same is considered on weighted average rates as per books.
	State Bank of India / Canara Bank	Inventory - Finished Goods	836	869	(33)	Consequent upon difference in valuation as stated above.
	State Bank of India / Canara Bank	Inventory - Packing material & Husk	391	441	(50)	On account of difference in adoption of purchase rates on estimated basis for the purpose of bank whereas the same is considered on weighted average rates as per books.
Q-2	State Bank of India / Canara Bank	Trade Receivable	7,643	7,651	(8)	On account of Provision.
	State Bank of India / Canara Bank	Inventory - Raw Material	1,538	1,044	494	On account of Inadvertance in the valuation of Raw material, certain items were omitted to be reported.
	State Bank of India / Canara Bank	Inventory - Finished Goods	253	268	(15)	On account of difference in provision for obsolete Inventory and estimation difference.
	State Bank of India / Canara Bank	Inventory - Packing material & Husk	366	366	-	-
Q-3	State Bank of India / Canara Bank	Trade Receivable	8,524	8,514	10	-
	State Bank of India / Canara Bank	Inventory - Raw Material	1,999	1,592	407	On account of Inadvertance in the valuation of Raw material, certain items were omitted to be reported.
	State Bank of India / Canara Bank	Inventory - Finished Goods	371	343	28	On account of estimation basis
	State Bank of India / Canara Bank	Inventory - Packing material & Husk	343	343	-	-
Q-4	State Bank of India / Canara Bank	Trade Receivable	8,262	8,240	22	Variance on account of TDS on job charges accounted for in the books subsequent to the filing of quarterly statements.
	State Bank of India / Canara Bank	Inventory - Raw Material	2,073	1,883	190	On account of Inadvertance in the valuation of Raw material, certain items were omitted to be reported.

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies
	State Bank of India / Canara Bank	Inventory - Finished Goods	748	647	101	On account of Inadvertance in the valuation of Raw material, certain items were omitted to be reported.
	State Bank of India / Canara Bank	Inventory - Packing material & Husk	375	381	-6	On account material written off and immaterial

Note 43: Relevant Additional Regulatory Information: (Other than disclosed in the respective notes)

- (i) The operating cycle of the company is assumed to be of twelve months in absence of clearly identifiable normal operating cycle and accordingly assets/ liabilities have been classified as current/ non current.
- (ii) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iii) The Company has not done any transaction with struck off companies during the year.
- (iv) There is no charge or satisfaction of any charge which is not registered with ROC beyond the statutory period.
- (v) The company has not granted any loans or advances in the nature of loans to promoters, directors, KMP and the related parties either severally or jointly with any other person which is either repayable on demand or without specifying any terms or period of demand and therefore requirement of disclosure of such loan/ advance is not applicable.
- (vi) The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (restriction on number of layers) rules 2017.
- (vii) Company has not applied any accounting policy retrospectively or has made a restatement of items in FS or has reclassified items in the FS.
- (viii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries), or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ix) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) 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
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xi) The Company have not made any such transaction which is 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)

Note 44: Previous year figures have been reclassified / regrouped wherever necessary to confirm with those of current year figures.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MILKFOOD LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Milkfood Limited** (hereinafter referred to as the "Holding Company"), and its subsidiary (Holding Company and its subsidiary together referred to as "the Group") which comprise the consolidated balance sheet as at March 31, 2025, the consolidated statement of profit and loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flows for the year ended on that date, and a summary of the significant 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, and based on the consideration of report of other auditor on separate financial statement of such subsidiary as was audited by the other auditor, 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 Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Group as at March 31, 2025, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year ended on that date.

Basis for Opinion:

We conducted our audit of the consolidated financial statements 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 Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of matter:

Attention is drawn to the Note no 6(ii) regarding Trade Receivables, Note No 8(ii) regarding advance to suppliers, Note No 12(ii) regarding GST, Note No 24(i) regarding other income, Note 15(iii) regarding withdrawal of ESOP Scheme resulting in Nil accounting impact and Note No 28(d) in respect of interest on GST refund.

Our opinion is not qualified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended March 31, 2025. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

The Key Audit Matter	How the matter was addressed in our audit
Provisions and Contingent Liabilities relating to Taxations, litigations and claims: (Refer note 34) The Group operates in various states within India, exposing it to a variety of different Central and State Laws, regulations and interpretations thereof. In this regulatory environment, there is an inherent risk of litigation and claims. Provisions are required when the group has present obligations (legal or constructive) as a result of past event for which it is probable that a cash outflow will be required and reliable estimate can be made of the amount of that obligation.	Our procedures included, but were not limited to the following: - Assessed the appropriateness of the Group's accounting policies relating to provisions and contingent liabilities, in accordance with the applicable accounting standards; - Obtained an understanding of the process, and evaluated the design and tested the operating effectiveness of the key internal controls around the recording and assessment of provisions and contingent liabilities.

The Key Audit Matter	How the matter was addressed in our audit
Contingent liability disclosure is made where there is a possible obligation or present obligation that probably may not require outflow of resources. When there is a possible or present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made. The level of judgment of the management in determining the need for quantum of provision or disclosure of contingent liability is high. This judgment is dependent upon significant assumptions and assessment which involves interpretations of various Laws, jurisprudence for which management involves the experts on the subject matter. In view of the uncertainty of the outcome, significance of amounts involved and the subjectivity involved in management's judgments, the matter has been considered as a Key Audit Matter for the Audit of the current year. Consequently, provisions and contingent liability disclosures may arise from direct and indirect tax proceeding, legal proceedings including regulatory and other government/department proceedings, as well as investigations by authorities and commercial claims. The judgment and estimates of the Group could change substantially overtime as new facts emerge as each legal case progresses. Given the inherent complexity and magnitude of potential exposures and the judgment necessary to estimate the amount of provisions required or to determine required disclosures, this is a key audit matter.	- On a sample basis, performed substantive procedures on the underlying calculations supporting the amount involved recorded as provisions or disclosed as contingent liability; and - Evaluated the appropriateness and adequacy of related disclosures in the consolidated financial statements in accordance with applicable accounting standards. Reviewing the outstanding litigations against the Group for consistency with the previous years, enquire and obtain explanations for movement during the year. Discussing the status of significant known actual and potential litigations with the Group's in-house officials and other senior management personnel who have knowledge of these matters and assessing their responses. Examining the Group's legal expenses and perusing the minutes of the board meetings, in order to ensure that all cases have been identified. Assessing the decisions and rationale for provisions held or for decisions not to record provisions or make disclosures. For those matters where management concluded that no provisions should be recorded, considered the adequacy and completeness of the Group's disclosures.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's management and Board of Directors are responsible for the preparation of the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the 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 during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe actions applicable under the applicable laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated total comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. 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 each company and for preventing and detecting frauds and other irregularities; the 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 and subsidiary Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group is responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company 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 each company.

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 financial controls 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 and Board of Directors.
- Conclude on the appropriateness of management's and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 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.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such 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. For the other entity included in the consolidated financial statements, which has been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph "Other Matters" in this audit report.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in 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 auditor 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 for the year ended March 31, 2025 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 Matters

We did not audit the financial statements of a wholly owned subsidiary, whose financial statements reflect total assets (before consolidation adjustments) of Rs. Nil as at March 31, 2025, total revenues (before consolidation adjustments) of Rs. Nil and net Losses (before consolidation adjustments) amounting to Rs. 1 Lakh for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management 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 sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the audit report of other auditors.

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 matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

- 1 As required by Section 143(3) based on our audit and on the consideration of report of the other auditors on separate financial statements of a subsidiary, as was audited by other auditors, as noted in “Other Matters” paragraph, 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.
 - (b) In our opinion proper books of account as required by law have been kept so far as it appears from our examination of those books except for the matters stated in paragraph 1(i)(vi) below on reporting in relation to audit trail as required under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended);
 - (c) The Consolidated financial statements dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March 2025 from being appointed as a director in terms of Section 164(2) of the Act.
 - (f) The modifications relating to the maintenance and other matters connected therewith in respect of audit trail are as stated in the paragraph 1(b) above on reporting under section 143(3)(b) of the Act and paragraph 1(i)(vi) below on reporting under Rule 11 (g) of the Companies (Audit and Auditors) Rules, 2014.
 - (g) 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”; and
 - (h) With respect to the matters to be included in the Auditor’s Report under section 197(16) of the Act, in our opinion and according to information and explanations given to us, the remuneration paid by the Holding Company and its subsidiary company, to its directors during the year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary company is not in excess of the limit laid down under section 197 read with schedule V of the Act,
 - (i) 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 and based on the consideration of the report of the other auditor on separate financial statements of the subsidiary, as noted in the “Other Matters” paragraph:
 - i. The group has disclosed the impact of pending litigations as at 31st March, 2025 on its financial position in its consolidated financial statements. Refer Note 34 of the financial statements.
 - ii. The group did not have any long term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March, 2025;
 - iii. There has been no delay in transferring amounts which were required to be transferred, to the Investor Education and Protection Fund by the Group during the year ended 31st March, 2025.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the group to or in any other person or entity, including foreign entity (“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 group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the group from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the group 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 ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
 - v. The interim dividend declared and paid by the Holding Company during the year and until the date of this audit report is in compliance with Section 123 of the Act to the extent it applies to payment of dividend. (Refer Note 39 to the consolidated financial statements.)
 - vi. Based on our examination which included test checks and in accordance with requirements of the Implementation Guide on Reporting on Audit Trail under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the Group has used accounting software's 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. Further, where audit trail (edit log) facility was enabled and operated throughout the year. We could not verify instance of audit trail feature being tampered with during the financial year 2024-25, during the course of audit and for this we relied upon the certificate of the management. Furthermore, the audit trail has been preserved by the Group as per the statutory requirements for record retention where the audit trail feature was enabled. Further, the daily back-up of audit trail (edit log) in respect of its accounting software for maintenance of all accounting records, an accounting software for journal entries has been maintained on the servers as certified by the management.
2. With respect to the matters specified in clause (xxi) of paragraph 3 and paragraph 4 of the Companies (Auditor's Report) Order, 2020 ("CARO"/ "the Order") issued by the Central Government in terms of Section 143(11) of the Act, according to the information and explanations given to us, and based on the CARO reports issued by us in respect of Holding company and the auditors of respective subsidiary companies included in the consolidated financial statements to which reporting under CARO is applicable, as provided to us by the Management of the Holding Company, we report that there are no material qualifications or adverse remarks by the other auditor in the CARO report of the said company included in the consolidated financial statements.

for Madan and Associates

Chartered Accountants

Firm's registration number: 000185N

Place : New Delhi

Date : 29.05-2025

M.K. Madan

(proprietor)

Membership number: 082214

UDIN: 25082214BMLHXV4075

Annexure - A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

We have audited the internal financial controls over financial reporting of **Milkfood Limited** ("the Holding Company") as of 31 March 2025 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 Institute of Chartered Accountants of India. 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 obtained by us and the other auditor of the subsidiary incorporated in India in terms of their report referred in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Group'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 with reference to financial statements 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 with reference to financial statements 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 conjunction with our audit of the consolidated financial statements of the **Milkfood Limited** (hereinafter referred to as "Holding Company") as of and for the year ended March 31, 2025, we have audited the internal financial controls over financial reporting of the Holding Company and its Subsidiary Company (Holding Company and its subsidiary together referred to as "the Group") incorporated in India under the Companies Act, 2013, as of that date.

In our opinion, based on consideration of reports of other auditors as referred in other matters paragraph, the Holding Company and its a subsidiary incorporated in India have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at 31 March 2025, except in certain areas which need to be further strengthened based on the internal financial control over financial reporting criteria established by such companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Other aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial control over financial reporting in so far as it relates to a subsidiary company, which is company incorporated in India, is based on corresponding reports of the auditor of such company.

for Madan and Associates

Chartered Accountants

Firm's registration number: 000185N

M.K. Madan

(proprietor)

Membership number: 082214

UDIN: 25082214BMLHXV4075

Place : New Delhi

Date : 29.05-2025

Consolidated Balance Sheet

as at 31st March, 2025

Particulars	Notes	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
A ASSETS			
1 Non-current assets			
Property, plant and equipment	3A	18,256	18,426
Capital work in progress	3B	15	25
Other Intangible Assets	3C	3,364	3,364
Right -of -use -assets	3D	495	110
Biological assets other than bearer plant	4	469	295
Financial assets			
- Investments	5	2	2
- Trade receivable	6	102	49
- Other financial assets	7	121	89
Other non-current assets	8	1,309	1,338
Total non - current assets		24,133	23,698
2 Current assets			
Inventories	9	3,360	3,244
Financial assets			
- Trade receivables	6	8,160	7,676
- Cash and cash equivalents	10A	27	17
- Bank balances other than above	10B	137	227
- Other financial assets	11	352	172
Other current assets	12	1,316	2,045
Assets classified as held for sale	13	-	16
Current tax assets (net)	31A/31B	30	17
Total current assets		13,382	13,414
TOTAL ASSETS		37,515	37,112
B EQUITY AND LIABILITIES			
1 EQUITY			
Equity share capital	14	1,219	513
Other equity	15	16,404	16,980
Total equity		17,623	17,493
2 LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	5,766	6,402
- Lease Liabilities	16A	323	51
- Other financial liabilities	17	1,213	1,213
Deferred tax liabilities (net)	31D	1,083	964
Provisions	18A	247	222
Total non - current liabilities		8,632	8,852
Current liabilities			
Financial liabilities			
- Borrowings	19	5,533	5,059
- Lease Liabilities	16B	193	71
- Trade payables	20		
(i) Total outstanding dues of micro and small enterprises		59	59
(ii) Total outstanding dues other than micro and small enterprises		5,107	5,085
- Other financial liabilities	21	167	235
Other current liabilities	22	66	105
Provisions	18B	135	153
Total current liabilities		11,260	10,767
TOTAL EQUITY & LIABILITIES		37,515	37,112

Basis of preparation, Measurement and Significant accounting policies, 2
The accompanying notes 1 to 44 are an integral part of the consolidated financial statements

In terms of our report of even date

For Madan & Associates

Chartered Accountants

FRN : 000185N

M.K.Madan

Proprietor

Membership No.: 082214

For and on behalf of the Board of Directors

Preeti Mathur

Director

DIN: 07951647

Gita Bawa

Director

DIN: 00111003

Sudhir Avasthi

Managing Director

DIN: 00152375

Place: New Delhi

Date: 29th May, 2025

Rakesh Thakur

Company Secretary

Sanjeev Kothiala

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended 31st March, 2025

Particulars	Notes	For the year ended 31 March, 2025 (Rs. in Lakhs)	For the year ended 31 March, 2024 (Rs. in Lakhs)
1 Income			
(a) Revenue from operations	23	44,776	43,693
(b) Other income	24	188	939
Total income		44,964	44,632
2 Expenses			
(a) Cost of materials consumed	25	37,457	32,809
(b) Changes in inventories of finished goods and work-in-progress	26	(55)	3,090
(c) Employee benefits expenses	27	2,358	2,561
(d) Finance cost	28	1,083	1,353
(e) Depreciation and amortisation expenses	29	710	672
(f) Other expenses	30	2,654	3,265
Total expenses		44,207	43,750
3 Profit before exceptional items and tax (1-2)		757	882
4 Profit before tax		757	882
5 Tax expense/ (credit) (net)			
(a) Current tax	31A	154	227
(b) Tax adjustment for earlier year		2	(100)
(c) MAT credit utilised/ (recognised)		36	(177)
(d) Deferred tax Charged/ (Credit)	31D	114	220
Total tax expenses / (credit)		306	170
6 Profit after tax for the year (4+5)		451	712
7 Other comprehensive income/ Loss			
(a) Items that will not be reclassified to statement of profit and loss			
- Re-measurement gains/ (loss) on defined benefit plans		18	(24)
- Tax impact on re-measurement gain/ (loss) on defined benefit plans		(5)	7
Other comprehensive income/ (loss) for the year (net of tax)		13	(17)
8 Total comprehensive income for the year (6+7)		464	695
9 Earnings per share in Rs (of Rs 5/- each) (P.Y Rs 10/- each)			
(a) Basic	32	1.85	14.27
(b) Diluted	32	1.85	14.27

Basis of preparation, Measurement and Significant accounting policies,

2

The accompanying notes 1 to 44 are an integral part of the consolidated financial statements

In terms of our report of even date

For Madan & Associates
Chartered Accountants
FRN : 000185N

For and on behalf of the Board of Directors

M.K.Madan
Proprietor
Membership No.: 082214

Preeti Mathur
Director
DIN: 07951647

Gita Bawa
Director
DIN: 00111003

Sudhir Avasthi
Managing Director
DIN: 00152375

Place: New Delhi
Date: 29th May, 2025

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31st March, 2025

	For the year ended 31 March, 2025 (Rs. in Lakhs)	For the year ended 31 March, 2024 (Rs. in Lakhs)
A. Cash flow from operating activities:		
Net profit before taxation	757	882
Adjustments for :	-	-
Depreciation and amortisation expense	710	672
Finance costs	1,083	1,353
Liabilities no longer required written back	(2)	(645)
Bad debts/stock/advances written off	-	12
Fair value gain on biological assets	(167)	(84)
Profit on sale of biological assets	-	(22)
Provision for Expected Credit Loss	-	5
Loss/ (Gain) on sale of properties, plant & equipment/ Assets held for sale	(14)	(184)
Interest income	(6)	(6)
Cash generated from operations before working capital changes	2,362	1,983
Adjustments for (increase) / decrease :		
Inventories	(116)	3,192
Trade receivables	(537)	(4,487)
Other current & non current assets	653	283
Adjustments for increase / (decrease) :		
Trade payables	25	1,141
Other current & non current liabilities	(107)	(91)
Provision	25	(21)
Cash flow Generated / (Utilized) From Operations	2,305	2,000
Income tax (paid) /refund (net)	(381)	34
Net cash flow / (Utilized) from operating activities (A)	1,924	2,034
B. Cash flow from investing activities:		
Purchase of property, plant and equipments (including CWIP)	(423)	(325)
(Increase)/decrease in biological assets	(8)	21
Proceeds from sale of properties, plant and equipment / Assets held for sale	30	366
Interest received	6	6
Net cash flow from/ (used) in investing activities (B)	(395)	68
C. Cash flow from financing activities:		
Increase/ (decrease) in borrowings	(161)	(558)
Repayment of lease liabilities	(123)	(101)
Proceeds from issue of shares (ESOPS)	-	24
Finance costs paid	(1,083)	(1,333)
Dividend Paid	(152)	(128)
Net cash flow from/ (used) financing activities (C)	(1,519)	(2,096)
Net increase / (decrease) in cash & cash equivalents (A+B+C)	10	6
Cash and cash equivalents at the beginning of the year	17	11
Cash and cash equivalents at the end of the year	27	17

The above Statement of Cash Flows has been prepared under the 'indirect method' as set out in Indian Accounting Standard 7 'Statement of Cash Flows'.

The accompanying notes 1 to 44 are an integral part of the consolidated financial statements

In terms of our report of even date

For Madan & Associates

Chartered Accountants
FRN : 000185N

M.K.Madan
Proprietor
Membership No.: 082214

For and on behalf of the Board of Directors

Preeti Mathur
Director
DIN: 07951647

Gita Bawa
Director
DIN: 00111003

Sudhir Avasthi
Managing Director
DIN: 00152375

Place: New Delhi
Date: 29th May, 2025

Rakesh Thakur
Company Secretary

Sanjeev Kothiala
Chief Financial Officer

Consolidated of changes in equity

for the year ended March 31, 2025

A. Equity share capital (Refer Note 14):

As at 31st March, 2025

(All amounts in Rs Lakhs, unless otherwise stated)

Balance at the beginning of the current reporting period	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 period
513	-	513	706	1219

As at 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 year	Changes in equity share capital during the current year	Balance at the end of the current reporting period
489	-	489	24	513

B. Other Equity (refer note 15)

Balance as at 31st March, 2025

Particulars	Reserves and Surplus						
	Notes	Share Pending Allotment	Capital Reserve	Securities Premium	Retained Earnings	Share Option Outstanding account	Total
Balance at 1st April, 2024		97	19	4,405	12,459	-	16,980
Changes in accounting policy or prior period item		0		-	-	-	-
Restated balance at the beginning of the current reporting year		97	19	4,405	12,459	-	16,980
Share capital/ bonus shares issued during the year		-97		(609)			(706)
Created during the year		-	-	-	-	-	-
Transferred to Securities premium		-	-	-	-	-	-
Profit/(Loss) for the year	15			-	451		451
Other comprehensive income/(expense) [net of tax]				-	13		13
Total comprehensive income for the year				-	464		464
Prior Period Adjustment (MAT credit)					(183)		(183)
Interim Dividend on equity shares for the year (refer note 39)					(152)		(152)
Balance as at 31st March , 2025		-	19	3,796	12,589	-	16,404

Balance as at 31st March, 2024

Particulars	Reserves and Surplus						
	Notes	Share Pending Allotment	Capital Reserve	Securities Premium	Retained Earnings	Share Option Outstanding account	Total
Balance at 1st April, 2023		-	-	670	11,891	253	12,814
Changes in accounting policy or prior period item		-	-	-	-	-	-
Restated balance at the beginning of the current reporting year		-	-	670	11,891	253	12,814
Created during the year		97	19	3,735	-	253	4,104
Transferred to Securities premium		-	-	-	-	(506)	(506)
Profit/(Loss) for the year	15	-	-	-	712	-	712
Other comprehensive income/(expense) [net of tax]		-	-	-	(17)	-	(17)
Total comprehensive income for the year		-	-	-	695	-	695
Interim Dividend on equity shares for the year (refer note 39)		-	-	-	(128)	-	(128)
Balance as at 31st March, 2024		97	19	4,405	12,459	-	16,980

The accompanying notes 1 to 44 are an integral part of the consolidated financial statements

In terms of our report of even date

For Madan & Associates

Chartered Accountants

FRN : 000185N

M.K.Madan

Proprietor

Membership No.: 082214

Place: New Delhi

Date: 29th May, 2025

For and on behalf of the Board of Directors

Preeti Mathur

Director

DIN: 07951647

Gita Bawa

Director

DIN: 00111003

Sudhir Avasthi

Managing Director

DIN: 00152375

Rakesh Thakur

Company Secretary

Sanjeev Kothiala

Chief Financial Officer

NOTE 1 CORPORATE INFORMATION & MATERIAL ACCOUNTING POLICIES

Milkfood Limited ("the Company") is a public limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office of the Holding Company is located at P.O. Bahadurgarh-147021 Distt. Patiala (Punjab), India. Its shares are listed on Bombay Stock Exchange (BSE). The Group is primarily engaged in the manufacture and sale of dairy products mainly Ghee and Skimmed Milk Powder. The main raw material of the group is milk, which is used to produce Pure Ghee and various types of Milk Powders. For the last few years, the group has changed its policy to produce Pure Ghee and Milk Powders which conforms to the quality standards adopted by the group consistent with its brand image. Quantities of Pure Ghee and Milk Powders are purchased and processed in the plant to give effect to the manufacturing policy and produce a product of high quality on consistent basis. During the year, group has purchased raw milk of rupees three thousand nine hundred sixty nine lakhs and chilled the same as per customer requirement and sold at rupees four thousand seven lakhs included in raw material consumed and revenue from operations respectively. Group has utilized its facilities for conversion of Milk to Ghee / Butter & Milk Powder on job work basis.

The group has two manufacturing locations, one in the state of Punjab at Patiala and one in the state of Uttar Pradesh at Moradabad.

NOTE 2 BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES

2.1 Basis of Preparation

- (i) The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as 'Ind AS') notified by the Ministry of Corporate Affairs pursuant to section 133 of the Companies Act, 2013 read together with Rule 3 of the Companies (Indian Accounting Standard) Accounts Rules, 2015, as amended from time to time.
- (ii) These financial statements have been prepared on going concern assumption basis following accrual system of accounting, applying consistent accounting policies for all the periods presented therein. The financial statements were approved for issue by the Board of Directors in accordance with the resolution passed in the Board Meeting held on 29th May, 2025.

Current versus non-current classification

All assets and Liabilities have been classified as current or non- current considering the normal operating cycle of 12 months as per paragraph 66 and 69 of Ind AS 1 and other criteria as per Division II of Schedule III of Companies Act, 2013.

An asset is classified 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.

All other assets are classified as non-current.

A liability is classified as 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.

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 classification of its assets and liabilities as current and non-current.

Presentation and Functional Currency

These Ind AS Financial Statements are prepared in Indian Rupee which is the group functional currency. All financial information presented in Rupees has been rounded to the nearest lakhs.

Transactions and balances with values below the rounding off norm adopted by the group have been reflected as "0" in the relevant notes to these financial statements.

2.2 Basis of measurement

The Ind AS Financial Statements are prepared under the Historical cost convention except for Biological assets (other than Bearer plants), certain class of financial assets/ financial liabilities, defined benefit plans, share based payments which have been measured at fair value as required by relevant Ind ASs. The accounting policies adopted are the same as those which were applied for the previous financial year.

Recent Accounting Developments:

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31st March, 2025, MCA has notified amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, which is applicable to the group w.e.f. 1st April, 2024. The group has reviewed the new pronouncements and based on its evaluation has determined that it is not likely to have any significant impact in its financial statements.

2.3 Material Accounting Policies:

A) Property, plant and equipment (PPE)

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, attributable borrowing cost and any other directly attributable costs of bringing an asset to working condition and location for its intended use. It also includes the present value of the expected cost for the decommissioning and removing of an asset and restoring the site after its use, if the recognition criteria for a provision are met.

Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are normally charged to the statements of profit and loss in the period in which the costs are incurred. Major inspection and overhaul expenditure is capitalized if the recognition criteria are met.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress". Assets in the course of construction and freehold land are not depreciated.

When an item of property, plant and equipment is scrapped or otherwise disposed off, the carrying amount and related accumulated depreciation are removed from the books of account and resultant profit or loss, if any, is reflected in statement of Profit & Loss.

Group depreciates property, plant and equipment over the estimated useful life as prescribed in schedule II of the Companies Act 2013 on the straight-line method on pro rata basis from the date the assets are ready for intended use.

The estimated useful lives of major components of PPE are as follows:

- Building 30-60 years
- Plant and equipment 35 years*(instead of 15 years as prescribed under schedule II)
- Furniture and Fixtures 8 -10 years
- Vehicles 6 - 10 years (instead of 8–10 years as prescribed under schedule II)
- Office equipments 3 - 6 years (including computer software)

*The group has taken a view on the basis of technical advice that plant in the dairy industry use non-corrosive raw materials, the expected life of the plant and machinery should be 35 years. This is in pursuance of proviso to sub clause (c) of clause 3 of schedule II of the Companies Act 2013.

The group has not revalued any of its property, plant and equipment during the year.

B) Biological Assets

Biological assets are recorded at a fair value less cost to sell. At each reporting date, subsequently, companies must remeasure this value and record any gains or losses.

All expenses incurred in land preparation, planting and development of trees up to maturity are capitalised as biological assets; all expenses subsequent to maturity are recognised directly in statement of profit and loss account.

Biological assets are stated at revalued amount, which is the fair value at date of revaluation less any accumulated impairment losses as certified by the Agricultural scientist.

C) Intangible Assets

Intangible assets purchased are initially measured at cost. The cost of a separately purchased intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in standalone statement of profit and loss as incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Indefinite-life intangible assets comprises brand, for which there is no foreseeable limit to the period over which they are expected to generate net cash inflows. These are considered to have an indefinite life, given the strength and durability of the brands and the level of marketing support. For indefinite-life intangible assets, the assessment of indefinite life is reviewed annually to determine whether it continues, if not, it is impaired or changed prospectively basis revised estimates.

The group has not revalued any of its intangible assets during the year.

D) Capital work in progress

Capital work in progress is stated at cost, if any. Assets in the course of construction are capitalized in capital work in progress account. At the point when an asset is capable of operating in the manner intended by management, the cost of construction is transferred to the appropriate category of property, plant and equipment. Costs associated with the commissioning of an asset are capitalised when the asset is available for use but incapable of operating at normal levels until the period of commissioning has been completed. Cost includes direct costs, related incidental expenses, other directly attributable costs and borrowing costs. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under "Other Non-Current Assets".

E) Leased Assets (Right of Use Assets)

The Group lease asset classes consist of leases for land and buildings for the purpose of having offices/ various branches. The group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the group assesses whether:

- (i) The Contract involves the use of an identified asset
- (ii) The group has substantially all of the economic benefits 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 the lease, the group recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases.

Right-of-use assets are initially measured at cost, less any accumulated amortization and impairment losses. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle.

Right-of-use assets are amortized on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The Group has not revalued any of its right-of-use assets

Short term Leases and leases of low value of assets

The group applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. The group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease. The group incurred Rs 78 lakhs for the year ended 31st March, 2025 (31st March, 2024: Rs 70 Lakhs) towards expenses relating to short-term leases and leases of low-value assets.

Lease Liabilities

At the commencement date of the lease, the group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date if the discount rate implicit in the lease is not readily determinable.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. The carrying amount is remeasured when there is a change in future lease

payments arising from a change in index or rate. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. The incremental borrowing rate applied to lease liabilities is in the range of 11% per annum to 12% per annum.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

F) Impairment of Non Financial Assets

At the end of each reporting period, the group assesses whether there is any indication that an assets or a group of assets (cash generating unit) may be impaired. If any such indication exists, the recoverable amount of the asset or cash generating unit is estimated in order to determine the extent of impairment loss (if any). If it is not possible to estimate the recoverable amount of an individual asset, the entity determines the recoverable amount of the Cash Generated Unit (CGU) to which the asset belongs.

Recoverable amount is the higher of fair value less cost of disposal and value in use. In assessing the value in use, the estimated future cash flow are discounted at their present value using the appropriate discount rate that reflects current market assessment of time value of money and the risks specific to the assets for which the estimates of future cash flow have not been adjusted.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

If the recoverable amount of an assets (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the assets (or cash generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in the statement of Profit & Loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss recognized originally in the statement of Profit & Loss.

No Impairment was identified in FY 2024-25 and in previous FY 2023-24.

G) 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. Financial assets and financial liabilities are recognized when a group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit and Loss.

(i) Financial Assets

(a) Initial recognition and measurement:

Financial assets, except for trade receivables, are recognized when the group becomes a party to the contractual provisions of the instrument.

Trade receivables are initially recognised at transaction price as they do not contain a significant financing component. This implies that the effective interest rate for these receivables is zero.

(b) Subsequent measurement of financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets and are classified in four categories:

- Amortised cost
- Fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Fair value through profit or loss

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group business model for managing them.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The group business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

(c) Derecognition of financial assets:

The group derecognizes a financial asset when

- the contractual rights to receive the cash flows from the asset expire, or
- the group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
 - a) It transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party or
 - b) The group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in the Statement of Profit and Loss if such gain or loss would have otherwise been recognized in the Statement of Profit and loss on disposal of that financial asset.

(d) Impairment of financial assets:

In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits and trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope.

The group follows 'simplified approach' for recognition of loss allowance on trade receivables. The application of simplified approach does not require the group to track changes in credit risk. Rather, it recognizes loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. ECL allowance recognised (or reversed) during the period is recognised as expense (or income) in the standalone statement of profit and loss under the head 'Other expenses'.

(e) Write off

The gross carrying amount of a financial asset is written off when the group has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event

(ii) Financial Liabilities

(a) Initial Recognition and Measurement

Financial liabilities are recognized when the group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the amortized cost unless at initial recognition, they are classified as fair value through profit and loss. The financial liabilities include trade and other payables and loans and borrowings including bank overdrafts/cash credits.

(b) Subsequent measurement of financial liabilities:

All the financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit and loss. Financial liabilities carried at fair value through profit or

loss are measured at fair value with all changes in fair value recognized in the standalone statement of profit and loss.

(c) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. The difference in the carrying amounts and the consideration paid is recognized in the Statement of Profit and Loss.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

(H) Inventories

Inventories are valued at the lower of cost and net realisable value except scrap and by products which are valued at net realisable value. Costs comprises as follow:

- (i) Raw materials and store and spares: Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis. The aforesaid items are valued at net realisable value if the finished products in which they are to be incorporated are expected to be sold at a loss.
- (ii) Finished goods and work in progress: Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on weighted average basis. In pursuance of IND AS-2 indirect production overheads (estimated by the Management) have been allocated for ascertainment of cost. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Obsolete inventories are identified and written down to net realisable value. Inventories (including whey powder - by product) are valued on lower of cost or net realizable value.

(I) Fair value measurement

The group measures certain financial instruments, defined benefit liabilities and equity settled employee share based payment plan at fair value at each reporting date.

Fair value is the price that would be received to sell an assets or paid to transfer a liabilities in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i. in the principal market for the asset or liability, or
- ii. in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All financial assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which are described as follows; level I – III.

Level I input

Level I input are quoted price in active market for identical assets or liabilities that the entity can access at the measurement date

Level II input

Level II input are input other than quoted market prices included within level I that are observable for the assets or liabilities either directly or indirectly.

Level III input

Level III inputs are unobservable inputs for the asset or liability. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available.

(J) Cash and Cash equivalent

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents include balances with banks which are unrestricted for withdrawal and usage.

(K) Provisions

Provisions are recognized when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

(L) Taxation

(i) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to gain on equity instruments (not held for trading) are recognised either in other comprehensive income or in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and adjust provisions accordingly where ever appropriate.

(ii) Deferred tax

Deferred tax is recognised on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except when it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the group.

(M) Employee Benefits

(i) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries and performance incentives, are charged to standalone statement of profit and loss on an undiscounted, accrual basis during the period of service rendered by the employees in the financial year.

(ii) Defined Contribution Plans:

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the group has no further defined obligations beyond the monthly contributions.

(iii) Defined benefit plans

Group has an obligation towards gratuity a defined benefit retirement plan covering all employees. The plan provides for a lumpsum payment to employees at retirement/determination of service on the basis of 15 days terminal salary for each completed year of service subject to maximum amount of Rs. 20 Lacs.

Group liability towards gratuity and compensated absences is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period by independent actuary. Remeasurement, comprising actuarial gains and losses, the effect of the changes, is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income (OCI) in the period in which they occur. Remeasurement recognized in the other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

(N) Revenue Recognition

Sale of Products/Services

Revenue from sale of goods is recognised when control of the products being sold is transferred to customer and when there are no longer any unfulfilled obligations. The Performance Obligations in contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on terms with customers.

Revenue is measured on the basis of contracted price, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the Government such as Goods and Services Tax, etc. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

Specific recognition criteria described below must also be met before revenue is recognized.

- (a) Conversion charges are recognized on completion of jobs.
- (b) Interest Income is recorded on time proportion basis using the effective rate of Interest (EIR).
- (c) Carbon Credits are recognized on realization basis.

O) Earning per shares

The group presents basic and diluted earnings per share ("EPS") data for its equity shares.

Basic EPS is calculated by dividing the profit and loss attributable to equity shareholders of the group by the weighted average number of equity shares outstanding during the period.

Diluted EPS is determined by adjusting the profit and loss attributable to equity shareholders and the weighted average number of equity shares outstanding that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

P) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The group Managing Director assesses the financial performance and position of the group, and makes strategic decision and has been identified as the chief operating decision maker. The group primary business segment is reflected based on principal business activities carried on by the group. The group is operating under a single segment i.e., "Dairy Products - comprising Ghee, Milk Powder, Whey powder and Dairy whitener" and therefore there are no reportable segments as per IND AS-108 "Operating Segments" issued under section 133 of Companies Act 2013 read with Companies (Indian Accounting Standards) Rules 2015.

Q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability. Therefore, in order to determine the amount to be recognised as a liability or to be disclosed as a contingent liability, in each case, is inherently subjective, and needs careful evaluation and judgement to be applied by the management.

In case of provision for litigations, the judgements involved are with respect to the potential exposure of each litigation and the likelihood and/or timing of cash outflows from the group, and requires interpretation of laws and past legal rulings. The group does not recognize a contingent liability but discloses its existence in the standalone Ind AS financial statements.

R) Use of Key Accounting estimates and judgments

The preparation of financial statements requires management to make estimates, judgements and assumptions in the application of accounting policy that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which it is known/materialised. Continuous evaluation is done on the estimation and judgements based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively

In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

- (i) Property, Plant and Equipment – Note 3A
- (ii) Indefinite useful life of Intangible Assets – Note 3C
- (iii) Recognition of deferred tax assets/liabilities - Note 31D
- (iv) Measurement of defined benefit obligation – Note 35
- (v) Measurement and likelihood of occurrence of provisions and contingencies - Note 34
- (vi) Measurement of Right of Use Asset and Lease liabilities – Note 3D, 16A and 16B.

MILKFOOD LIMITED
Notes to the Consolidated financial statements for the year ended March 31, 2025
3A. Property, plant and equipment

(Rs. In Lakhs)

Particulars	Land	Building	Furniture & Fixtures *	Computers & Peripherals	Vehicles	Plant & Equipment	Total
(I) Gross carrying amount							
As at 1 April 2023	8,142	3,605	241	140	1,465	7,987	21,580
Additions	-	2	34	10	258	14	318
Disposals/ Impaired	-	-	-	-	267	-	267
Reclassified from assets held for sale	-	-	-	-	-	232	232
As at 31 March 2024	8,142	3,607	275	150	1,456	8,233	21,863
Additions	-	-	21	11	334	67	433
Disposals	-	-	-	-	156	4	160
As at 31 st March 2025	8,142	3,607	296	161	1,634	8,296	22,136
(II) Accumulated depreciation							
As at 1 April 2023	-	937	84	61	683	1,180	2,945
Charge for the year	-	155	19	9	182	221	586
Deductions on sale	-	-	-	-	183	-	183
Addition on reclassification	-	-	-	-	-	89	89
As at 31 March 2024	-	1,092	103	70	682	1,490	3,437
Charge for the year	-	155	22	9	173	218	577
Deductions on sale	-	-	-	-	134	-	134
As at 31 March 2025	-	1,247	125	79	721	1,708	3,880
Net Carrying amount (I) - (II)							
As at 31 March 2025	8,142	2,360	171	82	913	6,588	18,256
As at 31 March 2024	8,142	2,515	172	80	774	6,743	18,426

(3B) Capital work in progress:

As at 31 March, 2025	15
As at 31 March, 2024	25
Opening Balance as at 1st April, 2023	17
Additions	13
Capitalisations	(5)
Balance as at 31st March 2024	25
Additions	55
Capitalisations	(65)
Balance as at 31st March 2025	15

(3B.1) Capital work in progress Ageing schedule

Capital work in progress	Amount in CWIP for a period of				
	<1 yr	1-2 yr	2-3 yrs	>3 yrs	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	15	-	15

(3B.2) Represents a project which has been temporarily suspended. Management intends to recommence the same in the near future.

(3C) Other Intangible Assets

Brand	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Gross Carrying amount	3364	-
Acquisitions through business combinations	-	3,364
Net Carrying amount	3364	3364

(3D) Right of use

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Balance as at beginning of the year (In respect of building taken on lease)	110	167
Additions	518	29
Deletion	-	-
Amortisation	133	86
Balance as at end of the year	495	110

Footnotes:

- (i) For details of Property, plant and equipment charged as security of borrowings. Refer Note 16(iii) & Note 19(i).
- (ii) Title deeds of all immovable properties in the name of Company are held by bank
- (iii) Estimated amount of capital contracts remaining to be executed is NIL as the relevant project has been temporarily suspended the management intends to recommence the same in near future. (PY Rs. Nil)
- (iv) *includes office equipment.
- (v) Company has not revalued any PPE and ROU Assets during the year.

Note 4. Biological assets other than bearer plant

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Trees & Plantation	(i)	469	295
Total		469	295

Footnotes:

- (i) Trees and plants are considered biological Assets as per Ind AS 41. During the year group has capitalised Rs. 8 lakhs (P.Y Rs. 8 lakhs) towards lease rentals of land. Group has obtained the certificate of Agricultural Scientist with regard to fair valuation at the reporting date and has accounted the gain of Rs. 167 lakhs on reinstatement during the year (previous year 84 lakh) (refer note 24(c)). Management hopes to generate revenue from the sale of timber of these trees in the subsequent years.

Note 5. Financial assets - Investment

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Investment in equity instruments - unquoted/ Govt. Securities			
National saving certificates / Deposits	(i)	2	2
Total		2	2

Footnotes:

(i) Pledged with government authorities (pending confirmation) towards fulfilment of statutory obligations.

Note 6. Trade receivables

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Unsecured considered good		8,162	7,678
Having significant increase in credit risk		110	57
		8,272	7,735
Less: Allowance for expected credit loss			
Having significant increase in credit risk	(i)	10	10
		10	10
Net Trade receivables			
Unsecured considered good		8,162	7,678
Having significant increase in credit risk	(ii)	100	47
		8,262	7,725
Current		8,160	7,676
Non-current		102	49

Below table represents the trade receivables ageing from date of transaction

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025:						
a) Undisputed trade receivables						
Unsecured considered good	8,160	-	-	2	-	8,162
Having significant increase in credit risk	-	-	53	-	57	110
	8,160	-	53	2	57	8,272
Less: Expected Credit Loss						
Having significant increase in credit risk	-	-	-	-	10	10
Net Trade Receivables						
Unsecured considered good	8,160	-	-	2	-	8,162
Having significant increase in credit risk (Refer footnote ii)	-	-	53	-	47	100
	8,160	-	53	2	-	8,262

Particulars	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024:						
a) Undisputed trade receivables						
Unsecured considered good	7,676	-	-	2	-	7,678
Having significant increase in credit risk	-	-	-	57	-	57
	7,676	-	-	59	-	7,735
Less: Expected Credit Loss						
Having significant increase in credit risk	-	-	-	10	-	10
Net Trade Receivables						
Unsecured considered good	7,676	-	-	2	-	7,678
Having significant increase in credit risk	-	-	-	47	-	47
	7,676	-	-	49	-	7,725

Footnotes:

- In view of insignificant amount of bad debts and timely recovery in earlier years, allowance for expected credit loss is made on the simplified approach of provisions based in earlier years.
- Includes receivables of Rs 47 Lakhs (net of write off/ provisions of Rs 22 Lakhs) from an entity facing an insolvency petition before the NCLT against a claim of Rs 78 Lakhs including interest of Rs 9 lakhs filed before the Resolution Professional. The Group is of the view that it has good chance to recover the amount of claim. As a matter of abundant caution, the amount of Rs 22 Lakhs as stated above has been written off/ provided in the books. Against Rs 53 Lakhs outstanding (unconfirmed) for more than one year no provision is made as group hopes to recover the same in the near future.
- No trade receivables are due from directors or other officers of the group or any of them either severally or jointly with any other person, or from firms or private companies in which any director is a partner, a director or a member. Refer note 36 (b) for information about credit risk.

Note 7. Other Non Current financial assets

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Security deposits	(i)	84	81
(b) Loans and advances to employees (Unsecured, considered good)		35	7
(c) Fixed Deposits with bank (Maturity exceeding 12 months)		2	1
Total		121	89

Footnotes:

- Includes Rs 71 lakhs (Previous year Rs.71 lakhs) with Govt departments and Rs. 8 Lakhs towards leased premise for KMP (P.Y. 5 Lakhs) .

Note 8. Other non current assets

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Unsecured - considered good			
(a) Prepaid expenses		17	14
(b) Deposit with sales tax Authorities	(i)	72	72
(c) MAT credit receivable		965	1,184
(d) Advance to suppliers / Others	(ii)	255	68
Unsecured - considered doubtful			
(e) Advance to suppliers		8	8
Less: Allowance for doubtful advances		(8)	(8)
Total		1,309	1,338

Footnotes:

- (i) Represents the amount deposited as a pre-condition for preferring appeal, the matter is pending before Rajasthan Tax Board .Group is of the view that the Appeal would be decided in its favour and hence no provision has been made.(Refer Note 34a)
- (ii) Includes an amount of Rs.171 Lakhs to suppliers outstanding from earlier years. The management is hopeful for the recovery of entire amount in the near future

Note 9. Inventories

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Work-in-progress		1,493	1,364
(b) Stock in Transit (Raw materials)		465	364
(c) Finished goods		748	921
(d) Stores and spares		318	331
(e) Packing materials	(i)	221	201
(f) Raw materials		115	63
Total		3,360	3,244

Footnotes:

- (i) Includes non moving / slow moving stocks of packing material of Rs 24 lakhs (P.Y. Rs.29 lakhs) Management is of the view that the same will be utilised in the financial year 2025-26. Adjustment if any shall be made in the subsequent year.
- (ii) For details of inventories provided as security for borrowings. Refer Note 19(i)
- (iii) The mode of valuation of inventories has been described in Note 2H.

Note 10A. Cash and cash equivalents

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Cash on hand	26	16
Balance with Bank (in current account)	1	1
Total	27	17

Note 10B. Other Bank Balances

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Earmarked Balances : Unpaid Dividend Account (<i>refer note 39</i>)	(i)	16	64
Fixed Deposit (Maturity within twelve months)		121	163
Total		137	227

Footnotes:

- (i) Towards bank guarantee given to govt. departments/corporations for performance of contractual obligations.

Note 11. Financial Assets - others

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Interest receivable (<i>refer note 28(i)</i>)	(i)	202	5
(b) TDS receivable - Others		27	19
(c) Conversion charges receivable		81	53
(d) Loan/Imprest to employees		22	35
(Unsecured, considered good)			
(e) Earnest money deposit with Govt. Department		20	30
(f) Royalty receivable		-	30
Total		352	172

Footnotes:

- (i) Represent job work executed pending dispatch.
- (ii) In line with circular no.04/ 2015 issued by MCA dated 10-3-2015, loans given to employees as per the Group policy are not considered for the purpose of disclosure under section 186 (4) of the Companies Act,2013.

Note 12. Other current assets

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Prepaid expenses	(i)	98	96
(b) Advance to suppliers - unsecured, considered good		323	173
(c) Goods & Service Tax credit receivable		168	149
(d) Goods & Service Tax deposit under protest		727	1,627
Total	(ii)	1,316	2,045

Footnotes:

- (i) Represent GST input credit (net).
- (ii) Against the demand of Rs 1896 lakhs with an equivalent amount of penalty created by CGST Ludhiana vide Order dated 29.01.2025 in respect of Patiala Plant, the group has preferred an appeal before CGST Ludhiana appeals dated 24.02.2025. The group has been legally advised of its success as the facts of the Patiala Plant are similar to that of the Moradabad Plant where the entire demand had been quashed by the Appellate authority (Meerut).

Note 13. Assets classified as held for sale

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Plant & equipment held for sale (Valued at the lower of the fair value less cost to sell & carrying amount)	-	16
Total	-	16

Note 14. Share capital

Particulars	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares	(Rs. in Lakhs)	Number of shares	(Rs. in Lakhs)
(a) Authorised				
Equity shares of Rs.5 each (P.Y. Rs 10 each)	6,80,00,000	3400	1,95,00,000	1950
Cumulative redeemable preference shares of Rs. 100 each	50,000	50	50,000	50
Total	6,80,50,000	3450	1,95,50,000	2000
(b) Issued, Subscribed and Paid up				
Equity shares of Rs. 5 each fully paid up (P.Y Rs 10 each)	2,43,78,180	1219	51,27,855	513
(c) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year :				
Equity shares of Rs.10 each At the beginning of the year	51,27,855	513	48,86,440	489
Add: Issued during the year on account of Esops	-	-	2,44,000	24
Less: Amount paid on forfeited share 2585	-	-	2,585	0
Add: Issued during the year pursuant to merger/business acquisition	9,66,690	97	-	-
	60,94,545	609	51,27,855	513
Split in the par value of share from Rs.10 to 5 per share	1,21,89,090	609	-	-
Add: (1:1) issue of Bonus shares	1,21,89,090	609	-	-
Outstanding at the end of the year (Rs 5 per share)	2,43,78,180	1,219	51,27,855	513

Footnotes:

- (i) The group has only one class of equity shares having a face value of Re. 5 per share. Each holder of equity share is eligible for one vote per share.
- (ii) In the event of liquidation of the group, the holders of equity shares will be entitled to receive remaining assets of the group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Mr. Karamjit Jaiswal	1,06,66,856	43.76%	17,00,024	33.15%
Ms Roshini Sanah Jaiswal	28,00,240	11.49%	7,00,060	13.65%
Dhanvani Investments Pvt. Ltd.	22,43,444	9.20%	5,60,861	10.94%
Sudha Commercial Co. Ltd.	19,56,412	8.03%	4,89,103	9.54%
Jupitor India Fund	-	-	3,15,146	6.15%

- (v) *Vide Board resolution dated 27-03-2023, 2585 partly paid equity shares have been forfeited and received approval from BSE on 04.09.2023. The calls in arrears of Rs.1575 in respect of 290 equity shares have been received.

Details of shares held by promoters in the Company	As at 31 March, 2025		As at 31 March, 2024	
	Number of shares held	Percentage of shares held	Number of shares held	Percentage of shares held
Equity shares				
Mr. Karamjit Jaiswal	1,06,66,856	43.76%	17,00,024	33.15%
Ms Roshini Sanah Jaiswal	28,00,240	11.49%	7,00,060	13.65%
M/S Blue Skies Investments P. Ltd	1,01,000	0.41%	25,250	0.45%
M/S Snowwhite Holding P.Ltd	92,000	0.38%	23,000	0.49%
Total	1,36,60,096	56.03%	24,48,334	47.74%

Note 15. Other equity

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Securities premium (<i>refer footnote (i)</i>)	3,796	4,405
(b) Retained earnings (<i>refer footnote (ii)</i>)	12,589	12,459
(c) Share Option Outstanding Accounts (<i>refer footnote (iii)</i>)	-	-
(d) Share Application Pending allotment	-	97
(e) Capital Reserve(<i>refer footnote (iv)</i>)	19	19
Total	16,404	16,980

Footnotes:

(i) **Securities Premium**

The amount received in excess of face value of the equity shares is recognised in Securities Premium. Where the group issues shares at premium, whether for cash or otherwise, a sum equal to the aggregate amount of the premium received on those shares is transferred to "Securities Premium account". The group may issue fully paid-up bonus shares to its members out of balance lying in the securities premium account and the group can also use the premium for buy-back of shares. During the year, group has utilised the amount of Rs 609 lakhs by issue of bonus shares in the ratio of 1:1 to the existing shareholders.

(ii) **Retained Earnings**

Retained earnings are the profits that the group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It also Includes revaluation reserve of Rs. 5,081 lakhs (PY Rs. 5,122 lakhs) [Net of increase in value of Land & Building of Rs 8,530 Lakhs and decrease in the value of Plant & Machinery of Rs 3,080 Lakhs as at 01.04.2016 after adjusting accumulated depreciation of Rs. 369 Lakhs (PY Rs. 328 lakhs) on revalued figure.

(iii) **Share Option Outstanding Account**

The fair value of the equity-settled share based payment transactions is recognised in consolidated statement of profit and loss with corresponding credit to Employee Stock Options Outstanding Account. As per the NRC resolution dated 28.05.2025 ESOP Scheme 2024 has been cancelled/withdrawn on the request of the employees. Bombay Stock Exchange has been informed of the same.

- (iv) Capital Reserve has been created in pursuance of scheme of amalgamation between Triputi Infrastructure Pvt Ltd (Transferor Company) with Milkfood Ltd (Transferee Company) duly approved by NCLT Chandigarh Bench.

- (v) The disaggregation of changes in each type of reserve, retained earnings and other comprehensive income are disclosed in Statement of Changes in Equity.

Note 16. Long-term borrowings

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) <u>From Banks: Secured at amortised cost</u>			
Rupee term loan	(i)	510	1,311
Total (a)		510	1,311
(b) <u>From Banks: Unsecured at amortised cost</u>			
Rupee term loan	(i)	-	1
Total (b)		-	1
(c) <u>From Others: Secured at amortised cost</u>			
Vehicle loan	(i)	516	349
Total (c)		516	349
(d) <u>From Others-Unsecured at amortised cost</u>			
Inter corporate Loan (refer footnote(iv))		4,720	4,721
Loan from KMP/relative (refer footnote (vii))		20	20
Total (d)		4,740	4,741
Grand Total (a+ b+c+d)		5,766	6,402

Footnotes:-

(i) Detail of loans:

	Non Current	Current Maturity	Total
a) <u>From Banks: Secured at amortised cost</u>			
State Bank of India	232	211	443
Date of sanction 05/12/2022, no of instalments due 31, ROI Per Annum 12.45%, date of maturity 05/10/2027	(443)	(211)	(654)
Canara Bank Term Loan GECL-2.0	0	69	69
Date of sanction 16/02/2021, no of instalments due 11, ROI Per Annum 9.25%, date of maturity 23/02/2026.	(69)	(75)	(144)
Canara Bank Term Loan GECL-2.0 (Extension)	76	46	122
Date of sanction 03/11/2021, no of instalments due 32, ROI Per Annum @ 9.25%, date of maturity 09/11/2027.	(122)	(46)	(168)
State Bank of India Term Loan GECL-2.0	0	193	193
Date of sanction 04/01/2021, no of instalments due 10, ROI Per Annum @ 9.25%, date of maturity 31/01/2026	(192)	(231)	(423)
State Bank of India Term Loan GECL-2.0 (Extension)	201	116	317
Date of sanction 24/11/2021, no of instalments due 33, ROI Per Annum @ 9.25%, date of maturity 31/12/2027	(318)	(125)	(443)
Canara Bank Term Loan -Quasi Loan	0	167	167
Date of sanction 30/09/2022, no of instalments due 6, ROI Per Annum @ 12.05%, date of maturity 30/09/2025	(167)	(333)	(500)
b) <u>From Banks: Unsecured at amortised cost</u>			
Canara Bank -Vehicle Loan	0	1	1
Date of sanction 13/07/2022, no of instalments due 4, ROI Per Annum @ 10.00%, date of maturity 14/07/2025	(1)	(3)	(4)
ICICI Bank Ltd	0	0	0
Date of sanction 02/09/2021, no of instalments due 0, ROI Per Annum @ 15%, date of maturity 05/09/2024	0	(10)	(10)

	Non Current	Current Maturity	Total
c) <u>From Others: Secured at amortised cost</u> Vehicle Loan			
(i) Kotak Mahindra Prime Ltd (Various Loans), 1st date of sanction 05/05/2022 as per repayment schedule, no of instalments due 485, ROI Per Annum @ 9.75%, to 15.65%, last date of maturity 05/03/2028.	516 (349)	513 (376)	1,029 (725)
(ii) Mercedes Benz Financial Services (Various Loans), 1st date of sanction 01/12/2024 as per repayment schedule, no of instalments due 101, ROI Per Annum @ 8.60%, last date of maturity 04/01/2028.			
d) <u>From Others-Unsecured at amortised cost</u> NBFC - (Two Loans) Date of sanction 03.05.2020, no. of instalments due 01, ROI Per Annum @ 15.5% to 17%, date of maturity 4th April '2024.	- -	- (60)	- (60)
Total	1,026 (1,661)	1,314 (1,470)	2,340 (3,131)

(ii) Figures in bracket relates to the previous year. Interest rate above represent prevailing rates.

- (iii) a) SBI Term Loan of Rs 1000 Lakhs was primarily secured on 1st pari pasu basis of entire current assets including stocks of raw materials, stores, spares, Stock in Progress, Finished Goods, including goods in transit, book debts (etc.) and collaterally secured by 1st pari passu charge through equitable mortgage of factory land and building located at Bahadurgarh Patiala, hypothecation of Movable fixed assets of the company excluding vehicles and assets financed by other lenders and charge over company's Brand. Further the loan is guaranteed by the two promoters.
- b) GECL-2.0 and as extended (WCTL) of SBI are secured by way of extension of 2nd charge over the existing primary and collateral securities including mortgages created in favour of the consortium banks on pari passu basis. Refer Note 19(i)
- c) GECL 2.0 and as extended (WCTL) of Canara Bank are secured by 1st Pari passu Charge on entire Current Assets of the group including Receivables and collaterally secured by pari pasu charge on equitable mortgage of Factory land and building located at Bahadurgarh, Patiala. Refer Note 19(i).
- d) Canara Bank Term Loan of Rs 1000 Lakhs was primarily secured by 1st pari passu charge on entire current assets of the group including receivables and collaterally secured through pari pasu charge on equitable mortgage of factory land and building located at Bahadurgarh Patiala - Punjab and hypothecation of Plant and Machinery.
- (iv) Date of agreement: 08.08.2022, tenure 10 years, rate of interest 10.25% p.a
- (v) The group has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken.
- (vi) There has been no default in respect of repayment of borrowings and interest. Group has not been declared as wilful defaulter by any bank or financial institution or any other lender.
- (vii) Represents the Loan from directors of the erstwhile company merged in accordance with the scheme of amalgamation between Trupati Infrastructure Pvt Ltd (Transferor Company) with Milkfood Ltd (Transferee Company) duly approved by NCLT Chandigarh Bench.

Note 16A. LEASE LIABILITIES (Non current)

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Lease Liabilities		323	51
Total		323	51

Note 16B. Lease Liabilities (Current)

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Lease Liabilities		193	71
Total		193	71

Movement in the Lease Liabilities (Non Current and Current is as follows):

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Balance as at the beginning of the year	122	174
Add: Addition	518	29
Add: Accretion of interest	33	19
Less: Payments	158	100
Balance as at the end of the year (refer note 36(c) for maturity analysis)	515	122

Note 17. Financial liabilities - other

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Security deposits	(i)	1,212	1,212
(b) Other payable	(ii)	1	1
Total		1,213	1,213

Footnotes:

- (i) Group has treated a sum of Rs 1,212 lakhs payable to suppliers as security deposit received as non current liability as per trade practice followed consistently in the past.
- (ii) Payable to ex-employee pending final decision of court.

Note 18. Provisions

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(A) Non current			
(a) Provision for employee benefits:			
Gratuity		215	194
Compensated absences		32	28
Total		247	222
(B) Current	(i)		
(a) Provision for employee benefits:			
Gratuity		124	142
Compensated absences		11	11
Total		135	153

Footnotes:

- i) Provision for Gratuity and compensated absences have been made in terms of IND AS-19.(Refer note no. 35).

Note 19. Financial liabilities - short -term borrowings

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
From bank/ others - secured			
a) Cash credit	(i)	4,219	3,589
b) Current maturities of long term debts (Refer note 16(i))		1,314	1,470
Total		5,533	5,059

Footnotes:

- (i) Cash Credit limit sanctioned by State Bank of India/Canara Bank are secured by hypothecation on pari passu basis on all present & future current assets including stocks and book debts and extension of charge on pari-passu basis on the Property,Plant and Equipment (excluding vehicles) of the Company and exclusive charge on the Brand "MILKFOOD". Refer Note 16(iii).
- (ii) The group has utilised the borrowings from banks and financial institutions for the specific purposes for which it was taken.
- (iii) Group has not been declared as wilful defaulter by any bank or financial institution or any other lender.

Note 20. Financial liabilities - Trade payables

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Total outstanding dues of micro enterprises and small enterprises	(i)	59	59
(b) Total outstanding dues other than above		5,107	5,085
Total		5,166	5,144

Below table represents the trade payables ageing from the date of transaction:

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025:					
Undisputed trade payables					
Micro enterprises and small enterprises	59	-	-	-	59
Others	5,107	-	-	-	5107
	5,166	-	-	-	5,166
As at 31 March 2024:					
Undisputed trade payables					
Micro enterprises and small enterprises	59	-	-	-	59
Others	5,085	-	-	-	5085
	5,144	-	-	-	5,144

Footnote:

- (i) This information as required to be disclosed under Micro Small and Medium Enterprise Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the group.
- (ii) Disclosure as required by Micro, Small and Medium Enterprises Development Act, 2006.

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
A(i) Principal amount remaining unpaid	59	59
A(ii) Interest amount remaining unpaid	-	-
B Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day.	-	-
C Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006.	-	-
D Interest accrued and remaining unpaid.	-	-
E 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 enterprises.	-	-

Note 21. Other financial liabilities - current

Particulars	Footnote	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Outstanding expenses including salary & wages etc.	(i)	144	155
(b) Staff advances		7	16
(c) Unpaid Dividend (refer note 39)		16	64
Total		167	235

Footnotes:

- (i) Includes rent payable for earlier years of Rs. 3 Lakhs (P.Y. Rs. 3 Lakhs) pending court case.
- (ii) 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: Nil).

Note 22. Other current liabilities

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
(a) Statutory remittances (Contribution to PF & ESI, TDS, GST, etc)	57	71
(b) Advances from Customers	9	34
Total	66	105

Note 23. Revenue from operations

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Sale of products (Net of sales return, volume rebates)	(i)	42782	41,564
(b) Other operating revenues	(ii)	1994	2,129
Revenue from operations		44776	43,693

Footnotes:

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(i) Sale of products comprises:		
- Ghee	38386	41,337
- Milk & Milk powder	4396	227
Total	42782	41,564
(ii) Other operating revenues comprises:		
Sale of scrap	18	11
Sale of Carbon Credit (Refer Note No 2.16(e))	3	-
Misc Balance Written Back	-	2
Royalty	-	30
Conversion charges	1,973	2,086
Total	1,994	2,129

Note 24. Other income

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Interest income		6	6
(b) Liability no longer required		2	643
(c) Fair value gain on reinstatement of biological assets (Refer Note 4(i))	(i)	166	84
(d) Profit on sale of "Assets held for sale"/ PPE		14	184
(e) Misc Receipts		-	-
(f) Profit on sale of biological assets		-	22
Total		188	939

Footnotes:

- (i) Represents gain towards fair valuation of Biological assets i.e. Trees and Plantation on the basis of certificate received from Agriculture Scientist Officer.

Note 25. Cost of material consumed

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Raw materials	(i)		
Inventories at the beginning of the year		63	-
Add: Purchases		36,537	31,865
Less: Inventories at the end of the year		115	63
Consumption (a)		36,485	31,802
(b) Packing materials			
Inventories at the beginning of the year		201	252
Add: Purchases		992	956
Less: Inventories at the end of the year		221	201
Consumption(b)		972	1,007
Total (a+b)		37,457	32,809

Footnotes:

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(i) Raw material consumed comprises:		
Fat & butter	32,299	31,407
Milk and Milk Powder	4,186	395
Total	36,485	31,802

Note 26. Changes in inventories of finished goods and work-in-progress

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
<u>Inventories at the end of the year:</u>		
Finished goods	748	921
Work-in-progress	1,491	1,365
Stock in Transit	466	364
	2,705	2,650
<u>Inventories at the beginning of the year:</u>		
Finished goods	921	3,409
Work-in-progress	1365	2,331
Stock in Transit	364	-
	2,650	5,740
Net (increase) / decrease	(55)	3,090

Note 27. Employee benefits expenses

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Salaries, wages and other benefits	(i)	2,074	2,026
(b) Contributions to provident funds / ESI		126	142
(c) Gratuity & compensated absences	(ii)	64	69
(d) Share Based Payment (refer note 15(iii))		-	253
(e) Staff welfare expenses		94	71
Total		2,358	2,561

Footnote:

- (i) Includes bonus of Rs. 23 lakhs (P.Y. Rs. 17 lakhs) under the payment of Bonus (Amendment) Act 2015.
- (ii) Provision for Gratuity and compensated absences have been made during the year in terms of IND AS-19 (Refer note no. 35).

Note 28. Finance costs

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Interest expense			
on Term Loan		202	404
on Cash Credit		421	363
on Inter Corporate Loan		484	494
on Lease Liabilities (ROU)		31	20
(b) Other borrowing costs (Bank and other financing charges)		145	72
(c) Total (a+b)=c		1,283	1,353
(d) Less: Interest on GST Refund	(i)	(199)	-
Total(c-d)		1,083	1,353

Footnote:

- (i) Represents interest receivable on account of refund of pre-deposit of CGST of Rs 900 lakhs in pursuance of an appeal preferred and won against the demand created by the CGST Moradabad. The figure of interest is calculated by the management as legally advised but yet to be confirmed by the Authority. Group is hopeful of receiving the refund order in near future.

Note 29. Depreciation & amortisation expenses

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
a) Depreciation of property, plant and equipment (Refer Note no. 2.3(A))	577	586
b) Amortisation of right-of-use assets (Refer Note 2(C)).	133	86
Total	710	672

Note 30. Other expenses

Particulars	Footnote	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Consumption of stores and spare parts		90	86
Power and fuel		878	1,174
Repairs and maintenance:			
- Building		19	27
- Machinery		84	100
Freight & forwarding expenses		341	322
Commission		5	6
Selling & distribution expenses		57	55
Advertisement expenses		20	17
Rates and taxes		53	65
Rent		78	70
Auditors remuneration	(i)	21	24
Office maintenance & house keeping		221	181
Legal & professional		163	210
Insurance expenses		105	96
Travelling & hotel expenses		59	73
Vehicle expenses		71	79
Watch & ward expenses		41	39
Postage & telephone expenses		20	18
Bad Debts/ Stock/ Advances written off		-	12
Provision for doubtful debts		-	5
Contribution for corporate social responsibility (CSR) (refer note.40)	(ii)	13	11
Miscellaneous expenses		315	595
Total		2,654	3,265

Footnote:

(i) Auditors remuneration

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
- Audit fee	16	16
- Tax Audit	4	4
- Tax representation	-	4
- Reimbursement of expenses	1	-
Total	21	24

(ii) Contributed to PM's National Relief Fund.

Note 31 (A). Current tax liabilities

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Provision for tax	154	227
Total	154	227

Note 31 (B). Current tax assets

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Advance tax /TDS /TCS	185	244
Total	185	244

Note 31 (C) Reconciliation of Tax expenses as per taxable profits and accounting profits

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Income tax related to items charged or credited to statement of profit and loss during the year:		
(a) Statement of profit and loss		
Current tax	154	227
Tax Adjustment for earlier years	2	(100)
MAT credit utilised/ (recognised)	36	(177)
Deferred tax charge / (credit)	114	220
Total (a)	306	170
(b) Other comprehensive income		
Deferred tax charge/(credit) on	-	-
Re-measurement of defined benefit plan	5	(7)
Total (a+b)	311	163
Reconciliation of tax expense:		
Accounting profit before income tax	757	882
Applicable tax rate	-	27.82%
Computed tax expenses	210	245
Tax impact of adjustments while computing taxable profits/ Book profits u/s 115JB	(20)	(118)
Tax impact of brought forward losses and depreciation	-	-
Deferred tax impact of temporary timing differences	114	220
Tax adjustment for earlier years including MAT credit	2	(177)
Income tax expense reported in statement of profit and loss account	306	170

Note 31 (D) Deferred Tax
(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2025			
	As at 01 April, 2024	Recognised in		As at 31 March, 2025
		Profit & Loss	OCI	
<u>Tax effect of items constituting deferred tax liability</u>				
Property, plant and equipment	1,407	63	-	1470
Right of Use (Ind as 116)	30	108	-	138
(A)	1,437	171	-	1608
<u>Tax effect of items constituting deferred tax assets</u>				
Carried forward loss / unabsorbed depreciation	-	-	-	-
Provision for gratuity and compensated absences	104	7	(5)	106
Disallowances under section 43B of the Income Tax Act, 1961	3	(-)	-	3
Provision for doubtful debts	3	(-)	-	3
Mat credit	329	(60)	-	269
Lease Liability (Ind as 116)	34	110	-	144
(B)	473	57	(5)	525
Deferred tax liability (net) (A-B)	964	114	5	1083

(Rs. in Lakhs)

Particulars	For the year ended 31 March, 2024			
	As at 01 April, 2023	Recognised in		As at 31 March, 2024
		Profit & Loss	OCI	
<u>Tax effect of items constituting deferred tax liability</u>				
Property, plant and equipment	1,125	282	-	1,407
Right of Use (Ind as 116)	50	(20)	-	30
(A)	1,175	261	-	1,437
<u>Tax effect of items constituting deferred tax assets</u>				
Carried forward loss / Unabsorbed depreciation	-	-	-	-
Provision for gratuity and compensated absences	108	(11)	7	104
Disallowances under Section 43B of the Income Tax Act, 1961	4	(1)	-	3
Provision for doubtful debts	-	3	-	3
Mat credit	262	67	-	329
Lease Liability (Ind as 116)	51	(17)	-	34
(B)	425	41	7	473
Deferred tax liability (net) (A-B)	750	220	(7)	964

Note 32. Earnings per share

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Net profit attributable to equity shareholders (Rs. in Lakhs)	451	712
Weighted average number of equity shares used for computing basic earning per share (Nos.)	2,43,78,180	49,91,482
Weighted average number of equity shares used for computing diluted earning per share (Nos.)	24378180	49,91,482
Par value per share (In Rs.)	5	10
Earnings per share - Basic (in Rs.)	1.85	14.27
Earnings per share - Diluted (in Rs.)	1.85	14.27

Note 33. Related party disclosures

(A) Details of related parties with whom the company had transactions during the year.

Description of relationship	Names of related parties
(a) Enterprises over which KMP, major shareholder is able to exercise significant influence	Jagatjit Industries Ltd., Pashupati Properties P. Ltd., Anjani Estate P.Ltd , Mata Construction & Builders P. Ltd, Ispace Developers (P) Ltd. MFL Trading Pvt Ltd (Wholly owned subsidiary Company)
(b) Key Management Personnel (Managing Director/ COO/ CFO/Company Secretary/Directors and their relatives)	Mr Karamjit Jaiswal Ms Roshini Sanah Jaiswal Mr Sudhir Avasthi (Managing Director) Mr Deepankar Barat (President) Mr Amarbaljeet Singh (COO) Mr Harmesh Mohan Sood (Director) Ms Gita Bawa (Independent Director) Mr Anil Girotra (Independent Director) Ms Preeti Mathur (Director) Ms Namita Swain (Independent Director) Mr Sanjeev Kothiala (CFO) Mr Rakesh K Thakur (CS) Mrs Shakun Jaiswal (Relative of KMP) deceased on 03.07.2024

(B) Transactions with related parties during the year:

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
i) Electricity expenses reimbursed to Jagatjit Industries Ltd	16 (16)	- -	16 (16)
ii) Rent (Lease liabilities including interest paid)			
a) Jagatjit Industries Ltd	41 (41)	- -	41 (41)
b) Pashupati Properties Pvt .Ltd	12 (12)	- -	12 (12)
c) Anjani Estate Pvt.Ltd	11 (11)	- -	11 (11)
d) Mata Construction & Builders Pvt. Ltd	12 (12)	- -	12 (12)
iii) Reimbursement of other expenses incurred by Jagatjit Industries Ltd on behalf of group	- (1)	- -	- (1)
iv) Inter corporate loan received from Ispace Developers Pvt Ltd	- (700)	- -	- (700)
(v) Inter corporate loan repayment to Ispace Developers Pvt Ltd	- (230)	- -	- (230)
vi) Interest paid to Ispace Developers Pvt Ltd	484 (494)	- -	484 (494)

Particulars	With Persons Mentioned in (a) above (Rs. in Lakhs)	With Persons Mentioned in (b) above (Rs. in Lakhs)	Total (Rs. in Lakhs)
vii) Managerial Remuneration (Perks valued as per IT Rules)			
Mr Karamjit Jaiswal	-	118	118
Mr Sudhir Avasthi (Managing Director) (refer footnote (vii))	-	235	235
Mr Deepankar Barat (President) (refer footnote (vii))	-	250	250
Mr Amarbaljeet Singh (COO) (refer footnote (vii))	-	58	58
Mr Harmesh Mohan Sood (Director) (refer footnote (vii))	-	18	18
Mr Sanjeev Kothiala (CFO) (refer footnote (vii))	-	60	60
Mr Rakesh K Thakur (CS)	-	17	17
Total Managerial Remuneration		756 (1,615)	756 (1,615)
viii) Rent			
Mr Karamjit Jaiswal	-	7	7
	-	(4)	(4)
Mrs Shakun Jaiswal	-	1	1
	-	(4)	(4)
Ms Roshini Sanah Jaiswal	-	4	4
	-	(4)	(4)
ix) Directors sitting fees			
Ms Gita Bawa (Independent Director)	-	1	1
Mr Anil Girotra (Independent Director)	-	1	1
Ms. Preeti Mathur (Director)	-	1	1
Mr H M Sood (Non Executive Director)	-	2	2
Ms. Namita Swain (Independent Director)	-	1	1
Total Director sitting fees		7 (6)	7 (6)
x) Amount receivable/ (Payable) (Jagatjit Industries Ltd)	12 (5)	- -	12 (5)
xi) Inter Corporare deposit (Payable) (Ispcae developers Private Limited Ltd)	(4,720) (4,720)	- -	(4,720) (4,720)

Footnote:

- No amounts have been written off / provided for or written back during the year in respect of amounts receivable from or payable to related parties. There have been no guarantee provided or received to/ from related party in respect of any debt/ obligation of the related party or of group except personal guarantee given by promoters in respect of secured loans from banks
- Related parties have been identified by the management.
- Rent (lease liability including interest) is certified by the the management as per prevalent market rates and for business purposes of the group.
- As the defined benefit plans and compensated absences are provided on actuarial basis for the group as a whole, the amount pertaining to Key Managerial Personnel are not included above.
- Related parties transactions are done in the ordinary course of business and are at arms length. Outstanding balances at the year end are unsecured .Refer note 16(iv) for Terms and conditions of loans taken from related party.
- Figures in bracket relates to the previous year.

Note 34. Contingent liabilities

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
Claims against the company not acknowledged as debts*		
(a) Sales tax <i>Refer Note no.8(i)</i>	71	71
(b) Others	7	7
(c) Goods and Service Tax (<i>refer note 12(ii)</i>)	3796	-
Total	3874	78

Footnote

- (i) *The group is contesting these demands and the management, based on advise of its advisors, believes that its position will likely be upheld in the appellate process. No expense has accrued in the consolidated financial statements for these demands raised. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the group financial position and results of operations. The group does not expect any reimbursements in respect of the above contingent liabilities.
- (ii) In addition, the group is subject to legal proceedings claims, which have arisen in the ordinary course of business. The group management reasonably does not expect that outcome of these legal proceeding etc, when ultimately concluded and determined, will have adverse material effect on the company's results of operations or financial condition.

Note 35. Employee benefits

(A) Defined contribution plans

The group has recognised the following amounts in the statement of profit and loss:

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Employers' contribution to provident fund and family pension fund (Govt.)	124	122

(B) Defined benefit plans

The group operates on one defined benefit plan i.e., gratuity for its employees including Key managerial personnel except Mr Karamjit Singh Jaiswal , Ms Roshini Sanah Jaiswal , Mr. Deepankar Barat & Mr. Amarbaljeet Singh . Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service subject to maximum of Rs. 20 lakhs.

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(a) Expense recognised in the statement of profit and loss:		
Under profit and loss section		
Current service cost	32	33
Net interest cost	23	21
	55	54
Under other comprehensive income section		
Actuarial (gains)/losses		
Due to experience adjustments	(24)	22
Difference in Present value of obligations	6	2
	(18)	24

Particulars	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
(b) Net liabilities recognised in the balance sheet		
Present value of obligation	339	336
Fair value of plant assets	0	-
Funded status (deficit)	339	336
Net liabilities recognised in the balance sheet accounted for as below:		
Provision non current (refer note 18 A)	215	194
Provision current (refer note 18 B)	124	142
(c) Present value of defined benefit obligation		
Present value of obligation at the beginning of year	336	336
Current cost	32	33
Interest cost	23	21
Remeasurement due to		
Actuarial loss/(gain) arising on account of experience changes	(25)	23
Actuarial loss/(gain) arising from difference in present value of obligations	6	2
Benefits paid	(35)	(79)
Present value of defined obligation at the end of the year	338	336
(d) The principal assumptions used in determining defined benefit obligations as per Ind AS -19:		
Financial Assumptions		
Discount rate	6.83%p.a	7.23%p.a
Salary rise	3.5%p.a to 5% p.a	3.5%p.a to 5% p.a
Attrition rate	5% p.a	5% p.a
Demographic Assumption		
Mortality Table	IAL 2012-14 Ultimate	IAL 2012-14 Ultimate

The estimates of future salary increase, considered in actuarial valuation, take into account inflation, seniority promotion (as per HR policy) and other relevant factors, such as supply and demand in the employment market.

(e) Sensitivity analysis:

	For the year ended 31 March, 2025	
	1% increase	1% decrease
Discount rate	(14)	15
Salary increase rate	14	(14)
Employee attrition rate	1	(2)

	For the year ended 31 March, 2024	
	1% increase	1% decrease
Discount rate	(12)	14
Salary increase rate	13	(12)
Employee attrition rate	2	(2)

The sensitivity analysis have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable change in key assumptions occurring at the end of the reporting year.

Note: 36. Financial risk management objectives and policies

The group principal financial liabilities comprise borrowings, Security Deposits Received, trade and other payables etc. The main purpose of these financial liabilities is to finance the group operations. The group principal financial assets include , trade and other receivables, cash and cash equivalents and security deposits that are out of regular business operations.

The group activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the group operates a risk management policy and a program that performs close monitoring of and responding to each risk factors. The group senior management oversees the management of these risks.

(a) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument that will fluctuate because of changes in market prices. Market risk comprises three types of risk i.e. interest rate risk, currency risk and other price risk, such as commodity risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the group financial instruments will fluctuate because of changes in market interest rates. The group exposure to the risk of changes in market interest rate relates primarily to the group borrowings with floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings affected. With all other variables held constant, the group profit before tax is affected through the impact on floating rate borrowings, as follows:

(Rs. in Lakhs)

	31 March, 2025		31 March, 2024	
	1% increase	1% decrease	1% increase	1% decrease
Impact on profit before tax	(117)	117	(122)	122

The impact of increase of 1% in rate of interest shall be mitigated by the increase in the volume based turnover. Further there is a huge related party borrowings on long term basis, there would be no difficulty in negotiating the lower rate if the situation so demands.

ii. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. There does not seem to be any significant risk as transaction in foreign currency are not there.

As there is no significant foreign currency risk, sensitivity analysis showing impact on profit is not calculated.

iii. Commodity price risk

The Prices of the raw material mainly loose ghee keep fluctuating frequently due to volatility in the prices of Raw Milk. and the group tries to pass the same to the customers through appropriate adjustment to selling prices. The major players both on supply chain of loose ghee and market chain of FG are in unorganised sector and at times the group has to pay more for supply and receive less for sales. Group is trying to work on seamless chain of supply and sales at most reasonable prices.

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The group exposure to credit risk arises majorly from trade and other receivables. Other financial assets like security deposits and bank deposits are mostly with government authorities and nationalised banks and hence, the group does not expect any credit risk with respect to these financial assets. In majority of cases of Trade receivables are collected in time. The trade receivables are subject to monthly review. Expected Credit Loss is too low considering the past record and management does not foresee any significant change in near future. In view of insignificant credit risk sensitivity analysis showing impact on profit is not calculated

(c) **Liquidity risk**

Liquidity risk is the risk that the group will face in meeting its obligations associated with its financial liabilities. The group approach in managing liquidity is to ensure that it will have sufficient funds to meet its liabilities when due without incurring unacceptable losses. In doing this, management considers both normal and stressed conditions. The table below summarises the maturity profile of the group financial liabilities:

(Rs. in Lakhs)

	Maturities			Total
	Upto 1 year	1-2 years	more than 2 years	
31-Mar-25				
Non-current borrowings	693	333	4,740	5766
Current borrowings*	5,533	-	-	5533
Trade payables	5,166	-	-	5166
Lease Liabilities	193	202	121	516
Other financial liabilities**	167	-	1,213	1380
Total	11,752	535	6,074	18361
31-Mar-24				
Non-current borrowings	1,155	386	4,861	6402
Current borrowings*	5,059	-	-	5059
Trade payables	5,144	-	-	5144
Lease Liabilities	71	51	-	122
Other financial liabilities**	235	-	1,213	1448
Total	11,664	437	6,074	18,175

* Current borrowings represent working capital loan (Cash credit) and Current maturities of Long term borrowings

** Includes security deposits taken from suppliers and distributors which is payable on demand but beyond 12 months from the reporting date as certified by the management and confirmed by the suppliers and distributors.

Note: 37. Capital management

The group manages its capital to ensure that the group will be able to continue as going concern while maximising the return to shareholders through the optimisation of the debt and equity. For the purpose of the group capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders.

The group monitors capital using a gearing ratio, which is net debt divided by total capital. The group includes within net debt, all non-current and current borrowings reduced by cash and cash equivalents and other bank balances. The group manages its capital structure and makes adjustments in the light of changes in economic conditions and the requirements of the financials covenants. To maintain or adjust the capital structure, the group may adjust the dividend payments to shareholders, return capital to shareholders or issue new shares. The capital structure is monitored on the basis of net debt to equity and maturity profile of the overall debt portfolio of the group.

Particulars	Notes	For the Year ended 31 March, 2025 (Rs. in Lakhs)	For the Year ended 31 March, 2024 (Rs. in Lakhs)
Non-current borrowings	16	5766	6,402
Current borrowings	19	5533	5,059
Less: Cash and cash equivalents	10A	27	17
Less: Other Bank balances	10B	137	227
Net debt		11135	11,217
Equity share capital	14	1219	513
Other equity	15	16404	16,980
Total capital		17623	17,493
Gearing ratio		63%	64%

In order to achieve this overall objective, the group capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. The breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings in the current year.

No significant changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2025 and March 31, 2024.

Note 38. Fair value measurement

- (i) All the financial assets and financial liabilities of the group are carried at amortised cost.
- (ii) The management assessed that the carrying values of trade and other receivables, deposit, cash and short term deposits, other assets, borrowings, trade and other payables reasonably approximate their fair values because these instruments have short-term maturities.
- (iii) It is view of the management that fair value impact of long term security deposits/loan paid or payable would not be material.

Note 39: Interim Dividend on Equity Shares

The Board of Directors in the meeting held on 25.06.2024 declared an interim dividend of 2.50/- per equity share valuing at Rs 153 Lakhs and accordingly Rs 132 Lakhs (net of TDS of Rs 14 Lakhs) has been paid as tabulated below:

Particulars	Year ended 31 March, 2025	Year ended 31 March, 2024
Dividend per share (par value Rs 5/- each) (P.Y. Rs. 10/- each) Interim dividend	2.50	2.50

Note 40: Corporate social responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a group, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are defined in schedule VII of the Companies Act which inter- alia includes contribution to the Prime Minister National Relief Fund, PM Cares Fund or any other fund set up by the Central Government for socio economic development and relief and welfare of the scheduled castes, the scheduled tribes, other backward classes, minorities and women. A CSR committee has been formed by the company as per the Act. The funds were primarily utilized through the year on these activities which are specified in Schedule VII of the Companies Act, 2013.

Particulars	As at 31 March, 2025 (Rs. in Lakhs)	As at 31 March, 2024 (Rs. in Lakhs)
i) Amount required to be spent by the group during the year	13	11
ii) Amount of expenditure incurred	13	11
iii) Shortfall at the end of the year	Nil	Nil
iv) Total of previous years shortfall	Nil	Nil
v) Reason for shortfall	N.A	N.A
vi) Nature of CSR Activities	Contribution to Prime Minister's National Relief Fund	

41: Disclosure related to key financial ratios:

Key financial ratios	Numerator	Denominator	For the year ended 31 March, 2025	For the year ended 31 March, 2024	% Change	Reason for variance
a. Current ratio (in times)	Current assets	Current liabilities	1.19	1.25	-4.61%	N.A
b. Debt-equity ratio (in times)	Total debt	Equity	0.64	0.66	-2.13%	N.A
c. Debt service coverage ratio (in times)	Earnings available for debt service:= Net Profit after taxes+ Non cash operating expenses+ Interest -Non Cash Income- Profit on sale of Fixed Assets, etc.	Debt service= Interest and lease payments + Principal repayments	1.57	1.18	33.29%	Due to increase in earnings available for debt service
d. Return on equity (in %)	Net profits after taxes	Average shareholder's equity	2.58%	4.62%	-44.24%	Due to decrease in profit after taxes.
e. Inventory turnover Ratio (in times)	Cost of material consumed+ Purchase of stock -in -trade	Average inventory	11.34	6.78	67.31%	Due to increase in cost of material consumed.
f. Trade receivables turnover ratio (in times) Refer footnote (i)	Revenue from operations	Average accounts receivable	5.60	7.96	-29.63%	Due to less encashment of the debtors
g. Trade payables turnover ratio (in times) Refer footnote (ii)	Net credit purchases	Average trade payables	7.27	7.16	1.48%	NA
h. Net capital turnover ratio (in times)	Net sales	Working capital	21.09	16.50	27.85%	Due to increase in revenue from operations.
i. Net profit ratio (in %)	Net profits after taxes	Net sales	1.01%	1.63%	-38.15%	Due to decrease in profit after taxes.
j. Return on capital employed (in %) refer footnote (iv)	Earning before interest and taxes	Capital employed	6.03%	7.44%	-18.90%	N.A
k. Return on investment (in %) Refer footnote (iii)	Income generated from investments	Time weighted average investments	-	-	-	-

Footnote

- Revenue represents sale of Finished products, Job work charges, carbon credit sales, scrap sales. In the absence of availability of figures of Net credit sales, total revenue has been considered as numerator.
- In the absence of availability of figures of Net credit purchases, total purchases has been considered as numerator.
- In view of the fact that the income generated during the year from the Margin money with the Bank (considered as other bank balances) is immaterial and insignificant amount of investment in the loss making subsidiary company, the ratio is not calculated.
- Capital Employed = Total equity + Long term borrowings+ Short term borrowings+ deferred tax liabilities+Lease liabilities (current and non current)+ interest accrued on debt

Note 42. Borrowings secured against current assets

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies
Q-1	State Bank of India / Canara Bank	Trade Receivable	6771	6,775	(4)	Round off diff
	State Bank of India / Canara Bank	Inventory - Raw Material	1671	1,623	48	On account of difference in adoption of purchase rates on estimated basis for the purpose of bank whereas the same is considered on weighted average rates as per books.
	State Bank of India / Canara Bank	Inventory - Finished Goods	836	869	(33)	Consequent upon difference in valuation as stated above.
	State Bank of India / Canara Bank	Inventory - Packing material & Husk	391	441	(50)	On account of difference in adoption of purchase rates on estimated basis for the purpose of bank whereas the same is considered on weighted average rates as per books.
Q-2	State Bank of India / Canara Bank	Trade Receivable	7,643	7,651	(8)	On account of Provision.
	State Bank of India / Canara Bank	Inventory - Raw Material	1,538	1,044	494	On account of Inadvertance in the valuation of Raw material, certain items were omitted to be reported.
	State Bank of India / Canara Bank	Inventory - Finished Goods	253	268	(15)	On account of difference in provision for obsolete Inventory and estimation difference.
	State Bank of India / Canara Bank	Inventory - Packing material & Husk	366	366	-	-
Q-3	State Bank of India / Canara Bank	Trade Receivable	8524	8,514	10	
	State Bank of India / Canara Bank	Inventory - Raw Material	1999	1592	407	On account of Inadvertance in the valuation of Raw material, certain items were omitted to be reported.
	State Bank of India / Canara Bank	Inventory - Finished Goods	371	343	28	On account of estimation basis
	State Bank of India / Canara Bank	Inventory - Packing material & Husk	343	343	-	-
Q-4	State Bank of India / Canara Bank	Trade Receivable	8,262	8,240	22	Variance on account of TDS on job charges accounted for in the books subsequent to the filing of quarterly statements.
	State Bank of India / Canara Bank	Inventory - Raw Material	2,073	1,883	190	On account of Inadvertance in the valuation of Raw material, certain items were omitted to be reported.

Quarter	Name of the bank	Nature of the Current Asset	As per Unaudited Books of Accounts	Amount as per Quarterly Return & Statements	Amount of Difference	Reason for Discrepancies
	State Bank of India / Canara Bank	Inventory - Finished Goods	748	647	101	On account of Inadvertance in the valuation of Raw material, certain items were omitted to be reported.
	State Bank of India / Canara Bank	Inventory - Packing material & Husk	375	381	-6	On account material written off and immaterial

Note 43: Relevant Additional Regulatory Information: (Other than disclosed in the respective notes)

- (i) The operating cycle of the group is assumed to be of twelve months in absence of clearly identifiable normal operating cycle and accordingly assets/ liabilities have been classified as current/ non current.
- (ii) No proceedings have been initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
- (iii) The group has not done any transaction with struck off companies during the year.
- (iv) There is no charge or satisfaction of any charge which is not registered with ROC beyond the statutory period.
- (v) The group has not granted any loans or advances in the nature of loans to promoters, directors, KMP and the related parties either severally or jointly with any other person which is either repayable on demand or without specifying any terms or period of demand and therefore requirement of disclosure of such loan/ advance is not applicable.
- (vi) The group has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (restriction on number of layers) rules 2017.
- (vii) Group has not applied any accounting policy retrospectively or has made a restatement of items in FS or has reclassified items in the FS.
- (viii) The group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
 - a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the group (Ultimate Beneficiaries), or
 - b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (ix) The group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
 - a) 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
 - b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (x) The group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (xi) The group have not made any such transaction which is 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)

Note 44: Previous year figures have been reclassified / regrouped wherever necessary to confirm with those of current year figures.

