



August 16, 2024

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

Dear Sir / Madam,

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

Sub: Intimation of 32nd Annual General Meeting and Annual Report for FY 2023-24

This is to inform you that the 32nd Annual General Meeting (AGM) of the Members of the Company will be held on **Wednesday, September 11, 2024 at 11.00 a.m. (IST)** through Video Conferencing / Other Audio-Visual Means (VC / OAVM), in accordance with the relevant circulars issued by Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), *inter-alia*, to transact the businesses stated in the Notice convening the said AGM.

Pursuant to Regulations 30(2) and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith Notice of the 32nd AGM and the Annual Report for the Financial Year 2023-24 for your information and records. In compliance with relevant circulars issued by MCA and SEBI, the Notice of the AGM along with the Annual Report are sent only by email to those Members whose e-mail IDs are registered with Depositories / the Company / the Registrar and Share Transfer Agent.

Additionally, the Notice of the 32nd AGM and the Annual Report are also available on the website of the Company at www.paragmilkfoods.com.

Further, in terms of Section 108 and 91 of the Companies Act, 2013 relevant rules, the Company has fixed **Wednesday, September 4, 2024 as the cut-off date/ record date** for determining the eligibility of the Members to cast their vote through remote e-Voting or through e-Voting during the 32nd AGM and for entitlement of dividend for financial year ended March, 31, 2024.

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

Request you to kindly take the same on records.

Thanking you.

For **Parag Milk Foods Limited**

Virendra Varma
Company Secretary and Compliance Officer
FCS No. 10520

Encl: As above.



Parag Milk Foods Ltd.,

CIN-L15204PN1992PLC070209

Regd. Office: Flat No. 1 Plot No. 19, Nav Rajasthan Co-Op Housing Society, Behind Ratna Memorial Hospital, Senapati Bapat Road, Shivaji Nagar, Pune - 411016. Ph.: +91 72764 70001

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

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



Ideas for a new day

UNLOCKING POTENTIAL CREATING VALUE



Annual Report
2023-24

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Unlocking Potential Creating Value

Towards a Stronger Tomorrow

In the heart of every cherished meal lies a promise of quality and nourishment. Whether it's a tall glass of fresh milk energising your morning, velvety cheese melting perfectly on your toasted sandwich, juicy paneer cubes absorbing the rich spices in your tikka masala, India's only whey protein-boosting your diet or authentic ghee delicacy packed in a portable box, Parag Milk Foods Limited (Parag) has been at the forefront, crafting these delightful moments. **Each product reflects our dedication to transforming simple ingredients into experiences that touch lives and create lasting memories.**

At Parag, unlocking potential means embracing innovation, enhancing quality, and nurturing partnerships. We leverage the latest technologies and research to elevate the nutritional value of our products and ensure they exceed consumer expectations. Our commitment to quality and innovation unlocks new possibilities for healthier and more delicious food experiences.



Creating value extends beyond nutritious products. We build robust and trust-based **vendor** partnerships, ensuring a seamless supply chain. We foster a supportive and innovative environment for our **employees**, encouraging growth and development. By promoting continuous improvement and creativity, we unlock the full potential of our team, driving excellence across all operations.

We are dedicated to sustainable growth and profitability for **investors**, delivering consistent returns with transparent business practices. Our **community** engagements and **environmental**

sustainability initiatives support local farmers and enhance our communities' well-being. By integrating sustainable practices and ethical standards into our business model, we create value that benefits **society**.

That is how our theme, 'Unlocking Potential. Creating Value', resonates deeply with our mission. We are committed to leveraging innovations to push the boundaries of what's possible, unlocking the full potential of our resources. By aligning our goals with our core purpose, we work towards building a healthier, more prosperous tomorrow for all our stakeholders.

ABOUT THE COMPANY

From Produced Delights to Promising Impacts

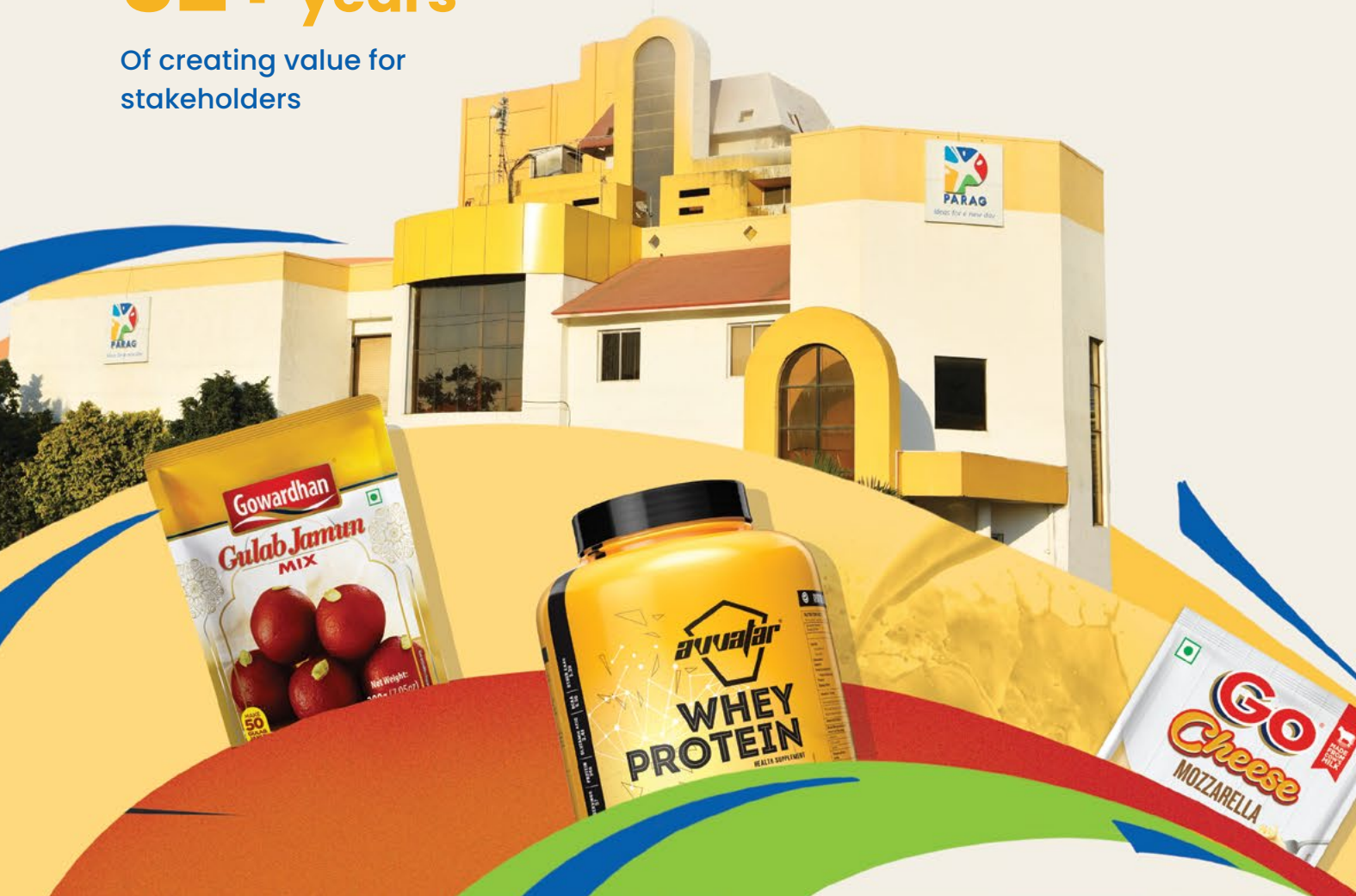
Parag, established in 1992, is India's leading dairy-based fast moving consumer goods (FMCG) company. Over the years, we have built a legacy of quality and nourishment by curating a diverse portfolio of superior dairy products. Our offerings include fresh milk, cheese, ghee, panner, curd, milk powder, lactose, milk shakes, lassi, buttermilk, and whey protein.

Product innovation through R&D, cutting-edge manufacturing capabilities, and deep-rooted relationships with farmers lie at the heart of everything we do. Our processes blend tradition with modernity, producing high-quality products that our consumers relish. We strive daily to bring goodness and joy to thousands of households daily while creating long-term value for our farmers, consumers, communities, employees, and shareholders.

At Parag, our focus is on sustainable and profitable growth. We align our goals with unlocking the fullest potential of our resources and creating value for our stakeholders, from employees to investors. By embracing innovative research and development, we continuously expand our market presence and unlock new opportunities. This strategic approach positions us to pave the way for a more vibrant and sustainable future for everyone.

32+ years

Of creating value for stakeholders



Dominant Stance in the Industry

Leading Dairy FMCG with diverse milk products

First to launch B2C whey protein in India under the brand 'Avvatar'

Pioneering the Farm-to-Home premium brand 'Pride of Cows'

Pioneered the concept of fresh paneer with 75 days shelf life

Bhagalaxmi Dairy Farm cows produce an average of ~25 litres per day, four times more than the average Indian cow

Standout Achievements

Increased the retail touchpoints to reach 4.6 lakh on a Pan India basis

Premiumised the product portfolio catering to consumer needs

Doubled our distributor's strength, contributing to robust expansion

Continuously focussed across all spheres of the value chain, from product development to innovative marketing

Vision

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

Mission



Our consumers

Consumer trust is fundamental to our business. Hence, we offer high-quality food that is subjected to processes of high safety and quality standards.



Partnership with dairy farmers

We work closely with farmers to empower them and set protocols for responsible and sustainable milking of cows.



Dairy innovation

We produce and market innovative products under our portfolio brands, bringing joy, health and nutrition to our consumers.



Building long-term relationships with local communities

We maintain a strong relationship with our close-knit community of local businesses, people, and organisations and contribute to their betterment.



Good citizenship

We want to set the benchmark in the dairy industry by incorporating best practices and making high-quality dairy products accessible to the masses.



Realising Potential Through Robust Results

Our focussed approach to driving profitable business growth has led to robust bottom-line performance. Through strategic initiatives and operational efficiencies, we have strengthened our financial position and delivered significant value to our stakeholders.

₹ 31,387 Mn

↑ 8.5% Y-O-Y growth

Revenue from Operations

₹ 7,487 Mn

↑ 31% Y-O-Y growth

Gross profit

23.9% margin

₹ 2,223 Mn

↑ 36% Y-O-Y growth

EBITDA

7.1% margin

₹ 906 Mn

↑ 70% Y-O-Y growth

Profit after Tax (PAT)

2.9% margin



A sharp improvement
in the Gross margins

+420 bps Y-O-Y

Core Categories of Ghee
and Cheese grew by

3.5% Y-O-Y

Cash Flow From
Operations

₹ 990 Mn

Brand Avvatar has
posted strong growth

98% Y-O-Y

Holistic value creation



3.4x

Increase in the renewal
energy source



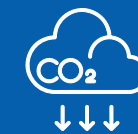
21%

Reduction in the ground water
withdrawal. 11% Reduction in water
consumption per litre of milk handled



20%

Reduction in the plastic waste,
per litre of milk handled



13%

Reduction in the Scope 2
emission levels



1,120

Employee training hours



90%

Employee satisfaction score

BRANDS AND PRODUCT PORTFOLIO

Leading the Dairy Revolution With a Diverse Portfolio

Rooted in the legacy led by Dr. Kurien during the 'White Revolution', Parag has become a key player in the dairy industry. We boast a diverse portfolio spanning over 15 consumer-centric product categories, ensuring we meet the varied needs of our customers.



Our Unique Business Model Caters to

80%

of the Consumers' Daily Dietary Needs

We pride ourselves on delivering products of truly international quality under the renowned brand names such as **Gowardhan, Go, Pride of Cows, and Avvatar.**

With these brands, we ensure that our products meet and exceed our customers' expectations, providing them with nutritious and delicious dairy options.

Brands



Known for its high-quality ghee, paneer, sweets, and other dairy products.



Offers a range of processed and natural cheeses, cheese spreads, beverages, UHT Milk, and other dairy delights.



Celebrated for its fresh farm-to-home milk, providing unmatched freshness and quality. It includes premium Ghee, Paneer, and Curd.



India's first Whey protein based nutrition brand

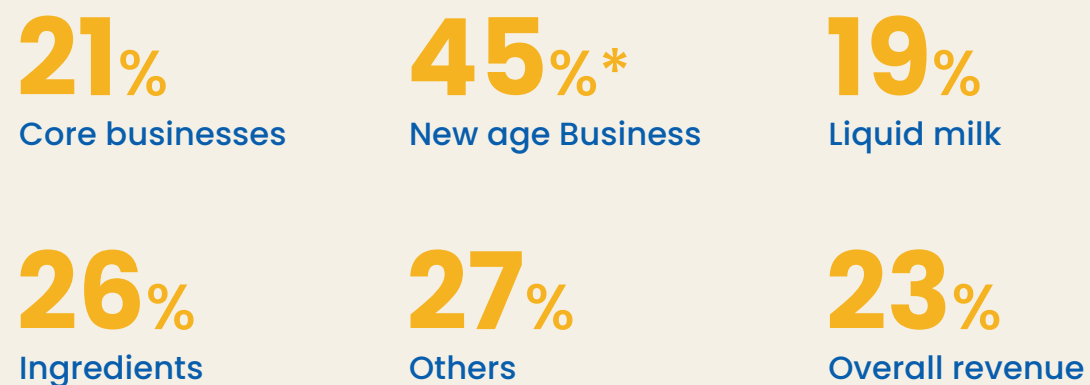
New product offerings

Gowardhan Sweets

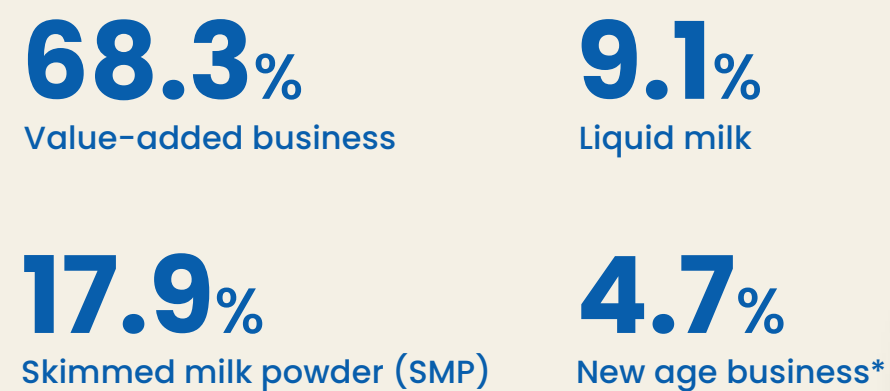
Prototype launch of sweets range under Gowardhan brand including, Kaju Katli, Malai Modak, Mawa Gujiya, Kaju Pista Roll, Mysore Pak, Kesar Pedha and Malai Pedha



Business growth CAGR over FY22-FY24



FY24 - Business Mix (%)



*New age business includes brands Avvatar and Pride of Cows



Brand positioning

Premium



Mass Affluent



Mass



JOURNEY

Evolving and Innovating Through the Years

1998

Comissioned value-added plant at Manchar; started production of ghee & butter under 'Gowardhan' brand



1992

Parag Milk Foods was founded by Mr. Devendra Shah. It is strategically located in the milk belt at Manchar.



2010

Palamaner plant was established with a world-class UHT facility



2008

Comissioned Go Cheese World – India's largest cheese manufacturing plant with the capacity of 40 metric tonnes/day



2011

Launched the brand 'Pride of Cows' – A first of its kind; premium farm to home dairy brand



2005

Launched Bhagalakshmi Dairy Farm – India's most advanced farm; equipped with state-of-the-art technologies



2024

Consolidated Revenue crossed the milestone of ₹ 3,000 Cr.

2022

Promoter preferential allotment along with investment by marquee investors like AG Dynamic Funds Ltd. & Pivotal Business Manager LLP.

2021

Investment by International Finance Corporation (IFC) and prominent consumer fund – Sixth Sense Venture Advisors LLP.



2017

Entered the consumer business of 100% Whey Protein with the brand 'Avvatar'



2016

Parag Milk Foods Limited got listed on the bourses



MESSAGE FROM THE CHAIRMAN

Accelerating Growth and Maximising Stakeholder Value

Dear Shareholders,

I am honoured to present Parag Milk Foods Limited's Annual Report for FY24. This year has been transformative, marked by significant achievements that underscore our commitment to excellence, innovation, and strategic growth. We continue to focus on harnessing our strengths and driving forward with renewed vigour and purpose, consequently unlocking potential and creating value for all our stakeholders.

Despite the complexities and uncertainties in the global economy, the nutrition sector has shown remarkable resilience. Rising health consciousness and the increasing demand for protein-rich diets are driving industry growth. **According to the IMARC report, the global dairy industry, in particular, is expected to grow at a compound annual growth rate (CAGR) of 3.8% from 2024 to 2032.**



The Indian dairy industry is in an exceptionally favourable position, growing at a CAGR of 10.7% from 2018 to 2023, with the organised segment witnessing a growth of 13.5% during the same period. The Indian dairy market is expected to maintain a CAGR of ~14% from 2024 to 2032. These impressive expected growth rates highlight the significant opportunities available in our domestic market.

Our journey began with a mission to support farmers, and today, we are on a path to becoming a global leader in health and nutrition segment. Our integrated business model, from farm to consumer, is our cornerstone. This backward integration ensures the highest quality products while allowing us to adapt swiftly to market demands. Our flagship brands—Gowardhan Ghee, Go Cheese, Pride of Cows, and Avvatar—testify our relentless pursuit of quality and innovation.

We have come a long way from a commodity business to a value-added PAN India FMCG dairy player and are now moving towards the health and nutrition segments. Our Company's focus on backward integration has strengthened our brand equity, allowing us to deliver high-quality products consistently.

We continue to focus on sustainable profitable growth with our strategic initiatives, efficient operations, and robust governance practices. Our governance framework is designed to ensure transparency, accountability, and long-term sustainability. Over the past 12 months, we have strengthened our board and management teams by onboarding visionary industry leaders with solid domain experience. These enhancements reinforce our commitment to maintaining high standards of corporate responsibility and strategic execution as we continue our growth trajectory.

Moreover, our journey towards sustainability is integral to our business strategy. This year, we have made significant strides in reducing our environmental footprint through initiatives such as Zero Liquid Discharge and adopting renewable energy sources. Our commitment to renewable energy continues to grow as we strive to reduce our carbon footprint and transition to greener

energy sources. This commitment to sustainability extends beyond ecological stewardship to include social responsibility, ensuring ethical sourcing practices and supporting local communities. These efforts reflect our dedication to creating a sustainable future while delivering exceptional value to our stakeholders.

Our strategic priorities include expanding our distribution network, enhancing our product portfolio, and leveraging technology for operational excellence. We are poised to capitalise on favourable industry dynamics and drive substantial growth in the coming years. Given the buoyant industry dynamics, we expect healthy volume and value growth across our product portfolio, driven by improving market share and enhanced distribution reach. Our vision is to transform Parag Milk Foods into a global health and nutrition powerhouse. We aim to triple our business over the next four years while maintaining strong margins and governance standards.

We are focussed on the building blocks of talent, technology, distribution, governance, and innovation. Our ongoing business process transformation exercise aims to streamline costs and eliminate inefficiencies across the value chain from procurement to distribution. **We are transforming from a promoter-driven to a professionally managed organisation to unlock potential and create value for all the stakeholders.**

I sincerely thank our shareholders, employees, farmers, partners, and customers for their unwavering support. Your trust and commitment are the bedrock of our success. Together, we will continue to drive Parag Milk Foods to new heights, creating lasting value and positively impacting the global nutrition landscape.

With our robust foundation, strategic vision, and dedicated team, I am confident that we can achieve our ambitious goals and deliver sustainable profitable growth.

Warm regards,

Devendra Shah
Chairman

MESSAGE FROM THE MANAGING DIRECTOR

Robust Corporate Governance with Business Process Excellence



Dear Shareholders,

Over the past decades, Parag Milk Foods Limited (Parag) has dedicated itself to providing the finest quality milk and dairy products, catering to our consumers' evolving health and nutrition needs. I am immensely proud of how Parag has navigated the dynamic market landscape to unlock potential and create enduring value for our stakeholders. We continuously strive to exceed expectations and foster a sustainable future on the back of robust corporate governance and business process excellence.

The global dairy and nutrition industries are witnessing significant shifts, with a growing emphasis on health and wellness. Consumers increasingly seek nutritious and functional foods, creating opportunities for companies like ours to innovate and meet these demands. By staying attuned to these evolving market trends, we develop products that align with consumer preferences, creating value for our customers and stakeholders.

The Indian dairy market is resilient and valued at ₹ 9,926 Billion in 2023, having grown at a CAGR of 10.7% from 2018–2023, is expected to grow in double digits to ₹ 31,720 Billion by 2032. As the Indian economy continues to grow, the lifestyles and eating habits of Indian consumers are also expected to evolve, further driving the consumption of dairy products. (Source: IMARC)

By recognising and adapting to these trends, we are strategically positioned to leverage our commitment to innovation and quality. This ensures we remain at the industry's forefront while delivering value to our stakeholders.

In FY24, we achieved remarkable operational performance, marked by robust financial growth and strategic advancements. **We delivered the highest-ever topline, crossing ₹ 30,000 Million mark.** Our consolidated revenue clocked ₹ 31,387 Million, an 8.5% Y-O-Y growth, driven by solid performance across our core and value-added product categories. By optimising our operations and focusing on efficiency, we have unlocked potential within our processes, translating into significant value creation for our stakeholders. The Consolidated Profit After Tax for FY24 stood at ₹ 906 Million as compared to ₹ 533 Million in FY23. Our financial achievements underscore our operational excellence with gross margins improving by 420 basis points.

Our marketing investments, including our association with 'Kaun Banega Crorepati', digital marketing campaigns for 'Avvatar', impact led campaign for 'Go' in IPL 2023, and co-sponsoring India's Got Talent on Sony TV, have strengthened our brand equity and brand performance. I am pleased to share that Gowardhan Ghee has witnessed 2% improvement in its market share, inching up to 22% market share in the branded cow ghee segment, while our Brand 'GO Cheese' sustained its market standing at 35% in the overall cheese segment (Source: IMARC).

Our employees are our greatest asset. We implement robust talent management strategies to attract, retain, and nurture top talent, unlocking their potential to drive value creation. Our Employee Stock Option Scheme (ESOS) aligns employees' interests for retention. Innovation is central to our growth strategy, with significant technological investments enhancing our production capabilities and product offerings. Our state-of-the-art manufacturing facilities and advanced R&D efforts keep us at the forefront of the dairy industry.

Sustainability is at the heart of our business strategy, driving our operations and growth.

This year, we have made substantial progress in energy conservation, waste management, and water recycling. Notably, we aim to source 75% of our electrical energy from renewable sources by 2026 and achieve 50% of our overall energy from green sources by 2030. In waste management, we target an 8% reduction in waste generation, a 2% improvement in packaging material consumption by 2026, and a transition to 100% recyclable packaging by 2030. Our water management initiatives focus on reducing water use per litre of milk, increasing water recycling by 20%, achieving a 35% reduction in freshwater usage by 2026, and recharging 1,50,000 litres of groundwater annually through rainwater harvesting and pond desilting. Our Zero Liquid Discharge programme ensures that our operations do not harm the environment.

We are also deeply committed to social responsibility, improving farmers' livelihoods, ensuring food security, and supporting community development through initiatives like the Neem/ Neaps Project and contributions to animal welfare. We are proud of these accomplishments and remain dedicated to enhancing our sustainability efforts, creating value, and preserving our planet for future generations.

Our growth strategies focus on expanding our product portfolio, entering new markets, and enhancing our distribution network. By leveraging our strengths in nutrition and innovation, we aim to drive sustainable growth and create substantial value. Our goal to increase retail touchpoints to 13–15 Lakh by 2027 demonstrates our commitment to reaching more consumers. We will continue investing in R&D to develop innovative products that meet evolving consumer needs and expand our product portfolio.

Our success is a combined result of the trust of our customers, dedicated and committed talent, and the support of other stakeholders. As we move forward, we remain devoted to robust corporate governance and business process excellence, thereby unlocking potential, creating value, and driving sustainable growth. **Together, we will continue to enhance the quality of life with our fresh and pure products and positively impact the communities we serve.**

Best wishes,

Pritam Shah
Managing Director

STRATEGIC PRIORITIES

Synergising Strategies for Sustained Market Leadership

Parag is committed to a comprehensive strategy that drives growth, innovation, and market leadership. Our strategic priorities are designed to strengthen our core categories, build and innovate our brand, evolve our market reach, expand our new-age business, and transform our operations. We aim to enhance our competitive edge, deliver superior products, and achieve sustainable growth by focussing on these key areas.



Our strategic priorities

- 1** Strengthening & Accelerating Core Categories
- 2** Brand Building and Innovation
- 3** Evolve Route-to-Market
- 4** Strengthening New age Business
- 5** Driving Business Transformation



Strengthening & Accelerating the Core Categories

At Parag, we are intensifying our efforts in core product categories like ghee and cheese. Our commitment to enhancing market penetration and performance has resulted in a 21% CAGR growth over FY22-24. We focus on innovation and improved consumer engagement, leveraging our

dominant market positions—22% in the branded cow ghee segment, — which has increased by 2% over the last year — while we have a 35% share in the cheese category. We aim to solidify our leadership and accelerate growth in these segments by continuously innovating and engaging with consumers.

Market Share

Branded Cow Ghee Segment

22%*

Cheese Category

35%*

*source: IMARC

Brand Building & Innovation

Key Campaigns and Consumer Offers

July 23 to December 24

Consumer offers on various products to enhance market reach and customer loyalty.



August 23 to March 24

Special consumer offer for Gujarat State on 500ml PP & 1Ltr PP.



January 24 to February 24

Print ad campaign in top regions to boost brand visibility and awareness.



January 23 to December 23

KBC, new TV commercial launch, and festive TV integration, focussing on high-impact marketing to drive consumer engagement. (Display these branding initiatives aesthetically)



IPL 2023 Campaign

In May-June 2023, Parag executed a high-impact campaign during the IPL to boost brand visibility and engagement for Gowardhan and Go Cheese products. This initiative focussed on using L-bands and aston bands throughout the IPL broadcast on Star Sports 12 network channels, achieving extensive exposure and capturing the attention of a large audience.

Campaign Duration

May-June 2023

Channels

Star Sports 12 network

Exposure

5,514

exposures

Focus

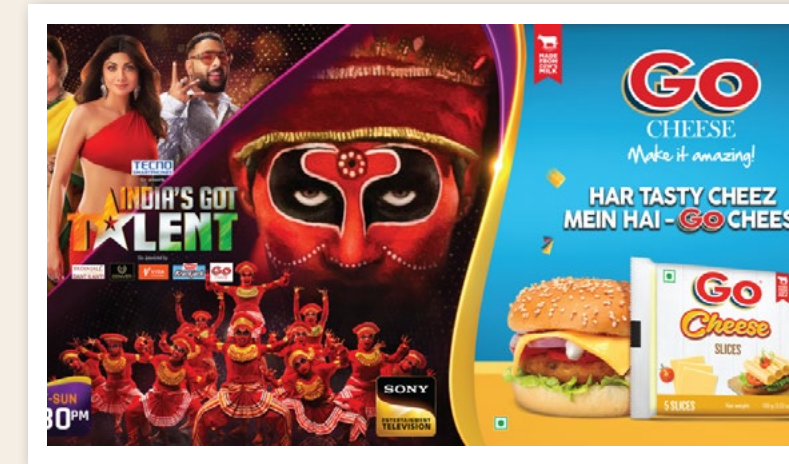
Impact-led campaign to create visibility and garner eyeballs

By leveraging the **IPL's massive viewership**, we effectively enhanced our brand presence and reached a wide audience, reinforcing our market position.



India's Got Talent Campaign

Parag leveraged the popular TV show 'India's Got Talent' on Sony TV to enhance the visibility of its Go Cheese brand. The integration involved airing Go Cheese ads and featuring the 'Go Cheese Amazing Moment' segment every week, where hampers with brand mentions were presented. With a 0.9 TVR, the show delivered 68 GRPs in Q2, significantly boosting brand awareness and engagement.



Show

India's Got Talent on Sony TV

TVR

0.9

GRPs Delivered

68 in Q2

Campaign Elements

Go Cheese ads and weekly 'Go Cheese Amazing Moment' segments

Engagement

Brand mentions and product hampers in every episode

This strategic campaign effectively integrated the Go Cheese brand into a **high-visibility platform**, enhancing consumer engagement and reinforcing brand recognition.



Branding and Innovation- Pride of Cows

Harley Davidson Groups Visit

Parag hosted a unique engagement event where Harley Davidson groups visited the Pride of Cows facility. This initiative allowed the bikers to experience the premium milk production process firsthand. The event included detailed tours, interactive sessions, and product sampling, fostering a deeper connection between the brand and its consumers. Such engagements enhance brand loyalty and promote the high-quality standards and transparency associated with Pride of Cows products.



Branding and Innovation- Avvatar

Parag has launched a comprehensive campaign for our Avvatar Sports Nutrition brand, utilising various channels to maximise reach and engagement.

Key Initiatives and Highlights:

Influencer Activity

Collaboration with influencers to promote the daily protein needs and benefits of Avvatar products.

Year-Long Campaign

Engaged over 300 influencers to generate awareness and drive engagement through digital media.

Impact

Significant conversions and enhanced brand visibility.

Reach

Over

100

Million video views monthly

Highlights

The campaign successfully integrated with the fitness industry, demonstrating the effectiveness of leveraging influencers to reach target audiences and achieve substantial brand engagement.

Consumer Offers

Special offers in October 2023, including free shakers and gym bags with purchases.

E-Commerce Activity

Enhanced online presence with dedicated sections on major e-commerce platforms, showcasing the product range and promotions.

The Fit Expo 2023

Active participation in The Fit Expo 2023, showcasing Avvatar products and engaging with fitness enthusiasts.

These initiatives aim to boost brand visibility, consumer engagement, and market penetration for Avvatar Sports Nutrition.



Evolve Route-to-Market

Parag consistently evolves its route-to-market strategy to ensure widespread product availability and increase market penetration. We focus on multiple channels, including direct-to-consumer, e-commerce, and organised trade, to enhance reach and drive growth.

Highlights

Modern Trade Channel

Witnessed a substantial

23%

CAGR growth over FY22-FY24

General Trade Channel

Grew by a

19%

CAGR for FY22-FY24

HoReCa

Increased by

7%

CAGR over FY22-24

Key Initiatives



Direct to Consumers

Engaging with customers directly through various platforms.



E-Commerce Expansion

Strengthening online presence to cater to the growing digital consumer base.



Organised Trade Channels

Expanding distribution network to include more retail touchpoints.

By integrating advanced digital technologies, we are streamlining our supply chain and logistics operations, facilitating efficient inventory management and delivery systems to maintain the highest standards of product freshness and quality from farm to shelf. We continuously capture new growth opportunities by integrating our operations with a strategic route to market initiatives.



Strengthening New Age Business

Pride of Cows

Originally launched as a premium milk brand, Pride of Cows has diversified its product range to include fat-free milk, ghee, and paneer. This diversification has strengthened the brand's market presence and catered to the premium segment.

Now present in Entered

7 cities

Bengaluru

Vadodara



Ambitious Growth Plans

We enhance our backend operations by expanding Bhagyalaxmi Dairy Farm, aiming to reach peak production of approximately 2.5 Lakh litres of milk daily by 2027. The greenfield expansion includes 500 acres of land at Bota, near Nashik, and will accommodate around 20,000 cows, nearly fivefold the current capacity.

Avvatar

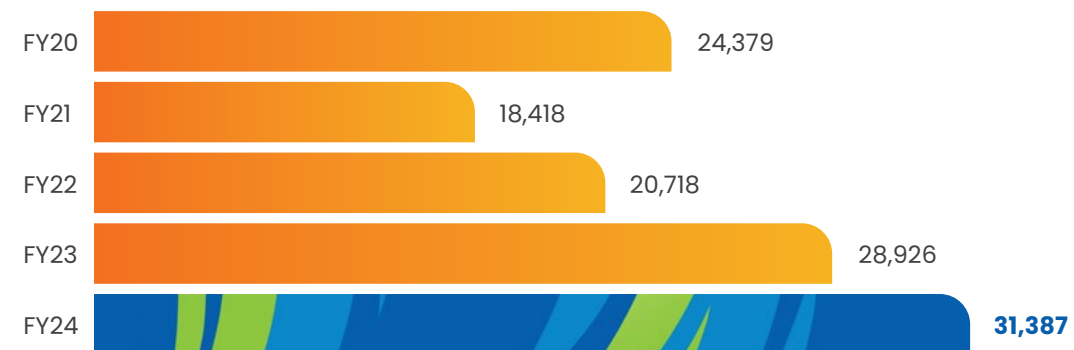
India's only Vegetarian whey manufacturing company As a pioneer in the Indian dairy industry, Parag stands out as the sole manufacturer of 100% vegetarian wheyprotein under the brand 'Avvatar'. Delivering unparalleled freshness and exceptional quality, Avvatar sets itself apart from the competition, creating a niche in the health-conscious market.



Consolidated Key Performance Indicators

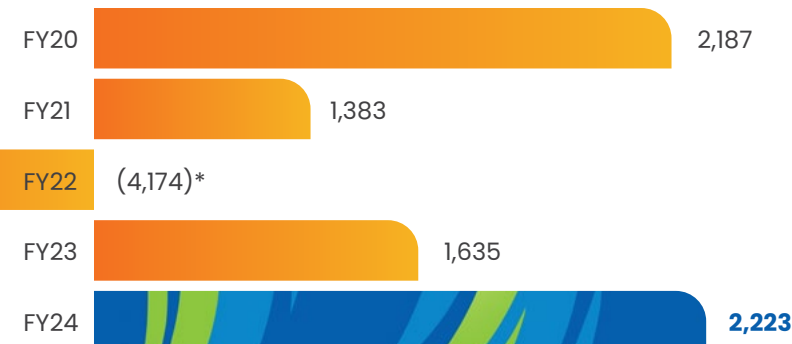
Revenue (CAGR ↑ 8.3%)

(₹ in Million)



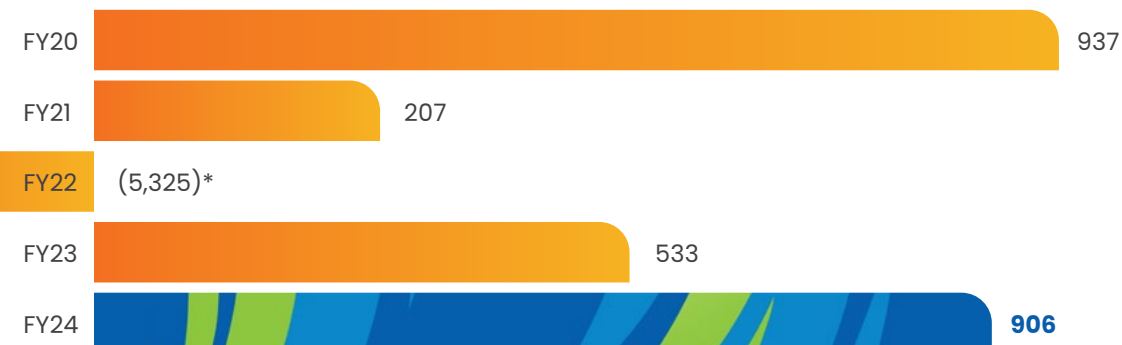
EBITDA

(₹ in Million)



Profit after Tax (PAT)

(₹ in Million)



*FY22 was an exceptional year due to COVID-19, which impacted the profitability.

Product-Wise Breakup (%)



Value-added Products

67.4% FY20
68.3% FY24



Liquid Milk

18.6% FY20
9.1% FY24



Skimmed Milk Powder (SMP)

12.8% FY20
17.9% FY24



New age Business

1.2% FY20
4.7% FY24

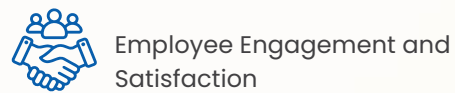
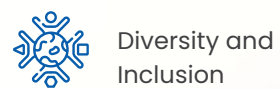
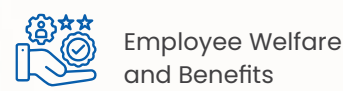
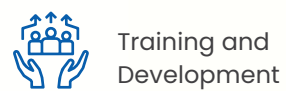
PEOPLE

Empowering People and Enhancing Experiences

At Parag, our people are our most valuable asset. Our commitment to human capital is reflected in our robust training programmes, inclusive work culture, and comprehensive employee benefits. With a dedicated workforce of more than 1700 employees, we focus on enhancing skills, fostering innovation, and maintaining high levels of employee satisfaction.



Key Focus Areas



“Our commitment to our employees is at the heart of our success. By investing in their growth and fostering an inclusive culture, we empower our people to drive innovation and achieve excellence.”

Akshali Shah
Executive Director

SOCIETY

Corporate Social Responsibility

Our commitment to CSR is reflected in our significant investments in community development projects.



CSR Spend

₹ 6.1 Million

Total CSR Beneficiaries

250+ Livestock
~117 People

Key CSR Activities

Education, Health, and Rural Development

Farmer Engagement

Our relationship with over 5 Lakh farmers is the backbone of our supply chain. We engage continuously with farmers, promoting sustainable farming practices and ensuring the consistent procurement of high-quality raw milk at competitive prices.

Parag is dedicated to further strengthening our social and relationship capital. We plan to enhance our partnerships with over 10,000 suppliers and deepen our engagement with more than 5 Lakh farmers, promoting sustainable practices and ensuring high-quality raw milk procurement. Our commitment to corporate social responsibility (CSR) will see increased investments

in community development projects, focussing on education, health, rural development, and environmental conservation. Additionally, we will continue prioritising customer satisfaction, leveraging feedback to improve our products and services, thereby maintaining high customer loyalty and trust.

SUSTAINABILITY

Investing in Sustainability for a Greener Future

Parag’s commitment to natural capital is integral to our sustainable operations. We invest significantly in water treatment, energy conservation, and waste management systems to minimise our environmental footprint and promote sustainable practices. Our natural capital strategy focuses on reducing resource consumption, optimising energy use, and implementing innovative waste management practices. Through these efforts, we aim to achieve long-term sustainability and environmental stewardship.

Key Focus Areas

Water Conservation and Recycling

Energy Efficiency and Renewable Energy

Waste Management and Emission Reduction



Our commitment to natural capital is resolute. By investing in advanced technologies and sustainable practices, we aim to reduce our environmental footprint and lead the industry in sustainability. Our focus on water conservation, energy efficiency, and waste management ensures that we meet current environmental standards and set new benchmarks for the future.



Bheemanappa Manthale

President, Plant Operations



Performance for FY24

Energy front

3.4x increase in the renewable energy source.

Renewable energy constitutes around **3.1%** to the total energy consumption.

The total energy intensity per litre of milk handled has reduced by **1%**.

Water front

20% reduction in the plastic waste, per litre of milk handled.

100% of the waste generated is incinerated.

Emission levels

13% reduction in the **Scope 2 emission levels**

Parag is committed to further enhancing our natural capital by:

Investing in Advanced Technologies to improve water and energy efficiency

Expanding Renewable Energy Infrastructure including more solar and biogas installations

Adopting Zero Waste Norms striving towards minimal environmental impact

By focussing on these critical areas, we aim to lead the dairy industry in sustainability and environmental responsibility, ensuring a greener future for future generations.

Parag will continue to enhance our natural capital by investing in cutting-edge water and energy efficiency technologies. We plan to expand our renewable energy infrastructure, including solar and biogas installations, to reduce our reliance on non-renewable sources. Our commitment to zero-waste norms will drive us towards minimal environmental impact, ensuring a sustainable and greener future for the dairy industry. By focussing on these initiatives, we will strengthen our leadership in environmental responsibility and contribute positively to global sustainability goals.

Future targets on the natural capital

Energy

By 2026 we aim to have **75%** of the electrical energy from green source (Renewable).

By 2030, we aim to have **50%** of our overall energy coming from Green and clean source.

We aim to improve **2%** in captive energy consumption per metric tonnes by 2026.

Water

By 2026 we aim to have **35%** of reduction in the fresh water usage.

By 2026 we aim to have **50%** of the water recycled.

We aim to have **1.5 lakh Itrs** per annum of ground water recharge by various initiatives.

Waste

By 2026, we aim to reduce the packaging material waste by **2%**.

By 2030 we aim to reduce overall waste by **5% per metric tonne**.

By 2030 we aim to use **100%** of the recyclable packaging material.

GOVERNANCE

Championing Integrity Through Governance

At Parag, we prioritise corporate governance which is built on integrity, accountability, transparency, and fairness. Our governance framework ensures accountability, transparency, and integrity by clearly defining the roles and responsibilities of the board, management, shareholders, and stakeholders. A balanced board of executive, non-executive, and independent directors with diverse expertise guides the company towards its strategic goals, fostering a well-rounded and objective governance approach.

To enhance our governance practices, Parag has established several vital committees.

Audit Committee

This committee ensures the integrity of our financial reporting, compliance with regulatory requirements, and the effectiveness of our internal controls.

Stakeholders Relationship Committee

Responsible for addressing shareholder grievances and facilitating effective communication with all stakeholders.

Nomination and Remuneration Committee

Oversees board appointments, performance evaluations, and remuneration policies, promoting a culture of merit and accountability.

Corporate Social Responsibility Committee

Guides our CSR initiatives, aligning them with legal requirements and our commitment to social responsibility.

Risk Management Committee

Identifies, assesses, and mitigates risks to ensure the sustainability and resilience of our business operations.

Finance Committee

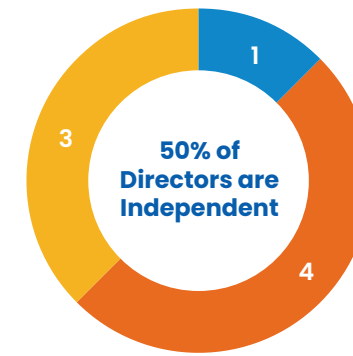
Ensures enhanced governance standards and addresses important and urgent business requirements.

Enables quick decision making at macro level.

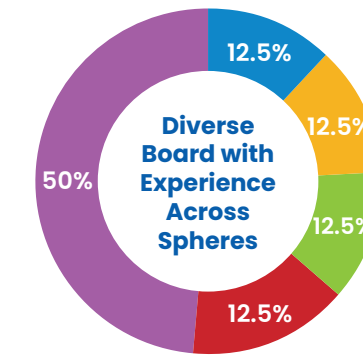
Management Committee

Aims to foster a corporate culture that promotes ethical practices, integrity and smooth functioning of various processes and internal control systems.

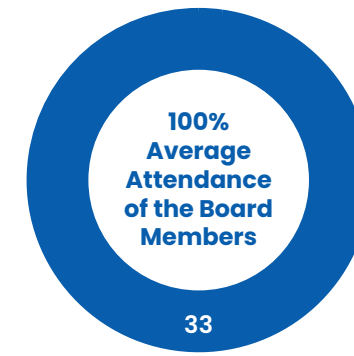
Governance Highlights



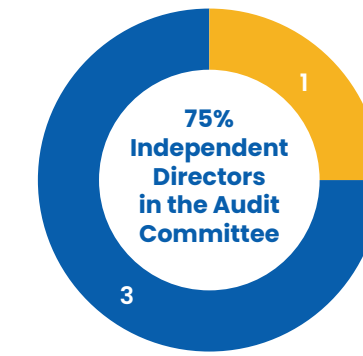
● Independent Directors
● Executive ● Non-Independent



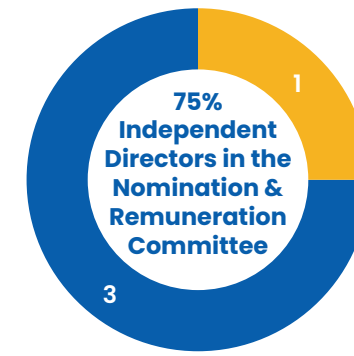
● Strategy ● Finance ● Legal
● Operations & International Market
● Marketing & Brand Building



All meetings had 100% attendance



● Independent
● Non-Independent



● Independent
● Non-Independent

Additional Highlights

75% of the Audit and Nomination & Remuneration Committee are Independent Directors.

100% of Directors are covered by familiarisation training.

All seven committees are led by Independent Directors.

Strengthened internal controls and processes by appointing Deloitte as Internal Auditor.

Code of Conduct and Policies

Our code of conduct and governance policies are the cornerstone of our framework, defining the ethical standards and professional behaviour expected from all employees and directors. These policies encompass anti-corruption measures, stakeholder engagement, product responsibility, human rights, health and safety, environmental sustainability, and data privacy.



Anti-corruption & Anti-bribery policy



Policy on Stakeholders



Policy on Responsible Advocacy



Policy on Product Responsibility



Policy on Human Rights



CSR Policy



Policy on Health & Safety



Policy on Environment



Policy on Cyber Security and Data Privacy

By embedding these principles into our governance framework, we ensure that we operate with the highest standards of integrity and responsibility, fostering trust and confidence among our stakeholders.

Board of Directors



Mr. Devendra Shah
Chairman, Executive Director



Mr. Pritam Shah
Managing Director & Interim CEO



Ms. Akshali Shah
Executive Director



Mr. Narendra Ambwani
Non-Executive
Independent Director



Mr. Nitin Dhavalikar
Non-Executive
Independent Director



Dr. Dnyanesh Darshane
Non-Executive
Independent Director



Ms. Radhika Dudhat
Non-Executive
Independent Director



Mr. Nikhil Vora
Non-Executive
Non-Independent Director

- A** Audit Committee
- SR** Stakeholders Relationship Committee
- RM** Risk Management Committee
- NR** Nomination and Remuneration Committee
- CSR** Corporate Social Responsibility Committee
- F** Finance Committee
- M** Management Committee

AWARDS AND ACCOLADES

Recognising Value-Driven Excellence

At Parag, we take immense pride in our achievements and the recognition we have garnered for our dedication to excellence, innovation, and impactful strategies. Here are some of our recent accolades:

FE Brandwagon ACE Award 2023

Excellence in Marketing Campaigns

We are proud to share that Gowardhan Ghee, one of our flagship products, has been awarded the prestigious FE Brandwagon ACE Award 2023. This accolade celebrates our excellence in marketing campaigns and underlines our ability to excel in a transformative landscape. Our purpose-driven strategies have made a remarkable impact, setting new marketing innovation and effectiveness standards.

These awards testify to our company's relentless pursuit of excellence and commitment to creating lasting value for all our stakeholders. We continue to strive for the highest standards in every aspect of our business, reinforcing our position as a leader in the dairy industry.

#IMPACT

50 Most Influential Women in Media

We're thrilled to announce that Ms. Akshali Shah, our esteemed Executive Director, has been recognized among hashtag#IMPACT's 50 Most Influential Women in Media, Marketing, and Advertising awards for 2023!



Entrepreneur 2023

Women Entrepreneur of the Year

We are thrilled to announce that our Executive Director, Ms. Akshali Shah, has been honoured as the Women Entrepreneur of the Year 2023 by Entrepreneur magazine. This prestigious award recognises her exceptional leadership and significant contributions to the dairy industry and reflects her relentless commitment to driving Parag towards new horizons.

Bizom Buzz 2024

Emerging Digital Leader

Remarkable achievement at Bizom Buzz 2024! The recognition for "Emerging Digital Leader" is a testament to your unwavering commitment to excellence. Your success is a standout, and we believe your network should share the joy.



Corporate Information

(As on March 31, 2024)

Board of Directors

Executive Directors

Mr. Devendra Shah
Chairman

Mr. Pritam Shah
Managing Director &
Interim CFO

Ms. Akshali Shah

Chief Financial Officer

Mr. Pritam Shah
Interim Chief Financial Officer

Independent Directors

Mr. Narendra Ambwani

Ms. Radhika Dudhat

Mr. Nitin Dhavalikar

Mr. Dnyanesh Darshane

Company Secretary & Compliance Officer

Mr. Virendra Varma

Non-Executive (Non-Independent) Director

Mr. Nikhil Vora

Board Committees

Audit Committee

Mr. Nitin Dhavalikar, Chairman

Mr. Pritam Shah, Member

Mr. Narendra Ambwani
Member

Mr. Dnyanesh Darshane
Member

Stakeholders Relationship Committee

Mr. Dnyanesh Darshane
Chairman

Mr. Devendra Shah, Member

Mr. Pritam Shah, Member

Ms. Akshali Shah, Member

Risk Management Committee

Ms. Radhika Dudhat, Chairperson

Mr. Pritam Shah, Member

Mr. Nitin Dhavalikar, Member

Mr. Dnyanesh Darshane
Member

Ms. Akshali Shah, Member

Nomination and Remuneration Committee

Mr. Narendra Ambwani
Chairman

Mr. Devendra Shah, Member

Mr. Nitin Dhavalikar, Member

Ms. Radhika Dudhat
Member

Corporate Social Responsibility Committee

Ms. Radhika Dudhat
Chairperson

Mr. Devendra Shah, Member

Mr. Narendra Ambwani,
Member

Ms. Akshali Shah, Member

Finance Committee

Mr. Nitin Dhavalikar, Chairman

Mr. Devendra Shah, Member

Mr. Pritam Shah, Member

Management Committee

Ms. Akshali Shah, Chairperson

Mr. Devendra Shah, Member

Mr. Pritam Shah, Member

Management Team

Mr. Rahul Kumar Srivastav
Chief Operating Officer

Mr. Bheemanappa Manthale
President, Plant Operations

Mr. Sumit Jain, President
Finance

Mr. Binod Das, President
Sales

Mr. Gajanan Patil
GM, Operations

Mr. Sachin Shah
Senior VP, Southern Operations

Mr. Sanjay Nakra
VP, Palamner Plant

Mr. Sanjay Mishra
VP, Operations Manchar

Mr. Shashank Joshi
GM, R&D and Innovation

Mr. Biswajit Mishra
Sr. VP Finance

Mr. Ajay Singh Bhadoria
President, Sales, (Fresh division)

Mr. Ravindra Gupta
VP, R&D and Innovation

Mr. Deepak Sharma
Head - Plant HR

Mr. Anand Sharda
GM, Finance

Mr. Abhinav Gupta
Head, Strategic Projects

Mr. Amol Sawant, GM, Finance

Investor Desk

Ms. Sangeeta Tripathi
Sr. Manager - Investor Relations

Corporate Communications

Ms. Pournima Surve
Head - Corporate Communication and Public Relations

Auditors

Statutory Auditor

M/s. Sharp & Tannan,
Chartered Accountants
(Firm's Registration No.
109982W)

Internal Auditor

**M/s. Deloitte Touche
Tohmatsu India LLP**
(LLP Identification No. AAE-8458)

Secretarial Auditor

**M/s. N. L. Bhatia &
Associates**
Company Secretaries (UIN:
PI996MH055800)

Cost Auditor

M/s. Harshad S. Deshpande & Associates
Cost Accountants (Firm's Registration No. 00378)

Bankers

Union Bank of India

IDBI Bank Limited

**Shamrao Vithal
Co-operative Bank**

Registrar & Transfer Agent

Kfin Technologies Limited

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

Plant Locations

A. Manchar Plant

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

B. Palamaner Plant

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

C. Sonipat Plant

Plot No. 2265-2268, Food
Park, Phase-2, HSIIDC
Industrial Estate-Rai,
Sonipat - 131 029, Haryana

Registered Office

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

Corporate Office

10th floor, Nirmal Building, Nariman
Point, Mumbai - 400 021

Management Discussion & Analysis



Economic Overview

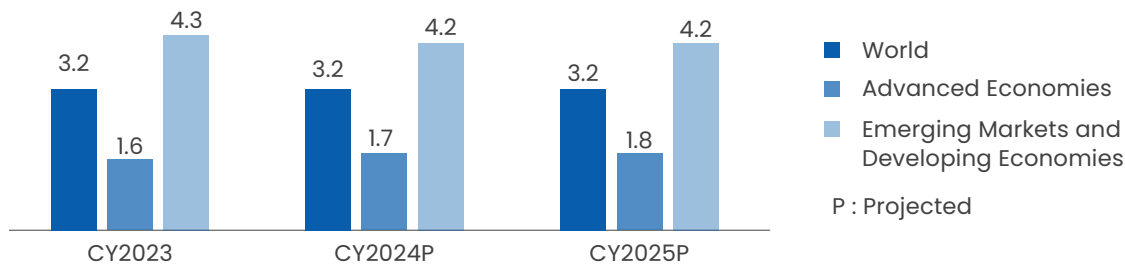
Global Economic Overview

The global economy exhibited remarkable resilience in 2023, despite significant interest rate hikes by central banks to combat inflation. Strong economic activity and adaptability to changing financial conditions aided in increased global economic resilience.

Global inflation was anticipated to decrease gradually, from 6.8% in 2023 to 5.9% in 2024, with a further decline to 4.5% in 2025. The world economy grew significantly as families in major developed countries spent the

savings they gathered during the pandemic, despite efforts by central governments to control inflation through higher interest rates. The global economy has been estimated to grow by 3.2% in 2023, with this growth rate expected to persist through 2024 and 2025. However, several factors, including elevated borrowing costs, reduced fiscal support, lingering effects of the COVID-19 pandemic, geopolitical tensions, and sluggish productivity growth, pose risk to the overall global economic outlook.

World Economic Growth (%)



Source: International Monetary Fund (IMF) April 2024 report

Advanced economies are anticipated to achieve their inflation targets earlier than emerging market and developing economies. While headline inflation is expected to decrease gradually, various structural challenges persist. These challenges include inadequate infrastructure, limited access to quality education and healthcare, and insufficient investment in technological innovation, affecting the mobility of capital and labour and hindering progress toward higher living standards, particularly in middle- and lower-income countries. In 2024, advanced economies are forecasted to grow by 1.7%, with a modest uptick to 1.8% in 2025, compared to the 1.6% growth recorded in 2023.

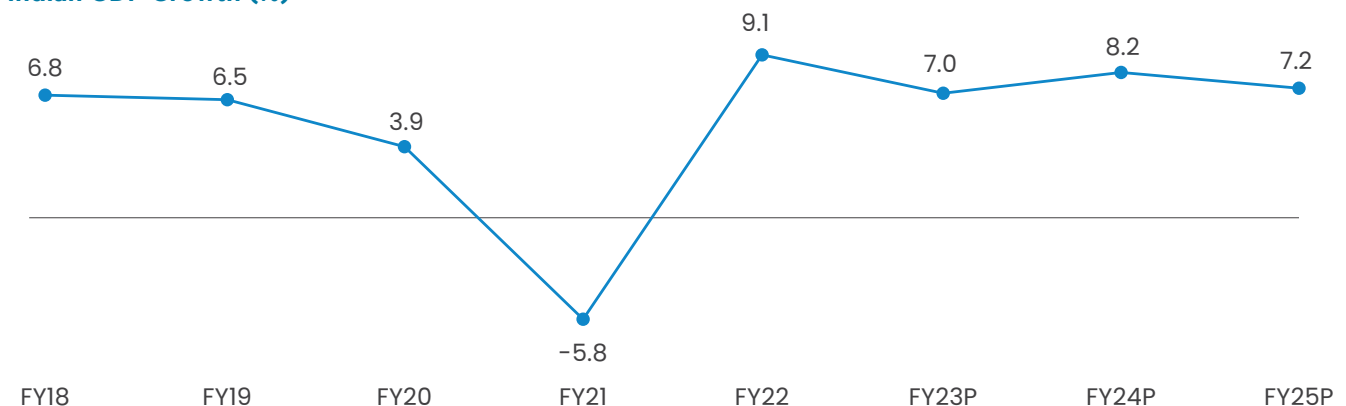
Emerging markets and developing economies are projected to expand by 4.2% in both 2024 and 2025, representing a slight decline from the 4.3% growth observed in 2023. The global economic outlook is expected to remain stable; however, concerns

persist regarding potential input costs triggered by geopolitical tensions, slowing inflation rates in major economies, and high government debt. The global economy is expected to navigate uncertainties and strive towards sustained growth and prosperity for all by addressing these challenges with strategic and collaborative measures.

Indian Economic Overview

India's economic growth has been driven by strong domestic demand and robust expansion across various sectors. The country has made significant strides in leveraging technology to enhance knowledge sharing, manufacturing, export competitiveness driving growth and strengthening the nation's economic fundamentals. According to the National Statistics Organisation (NSO), India's economy grew by 8.2% in FY 2023-24, surpassing the 7.0% growth recorded in FY 2022-23.

Indian GDP Growth (%)



Source: NSO estimates dated 31st May 2024

RBI (Reserve Bank of India) MPC (Monetary Policy Committee) report dated 7th June 2024

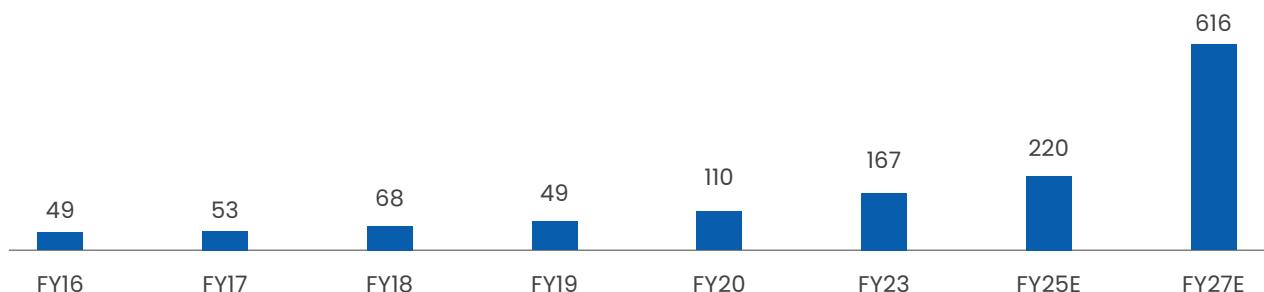
The RBI's MPC maintained the policy repo rate at 6.5% throughout FY 2023-24, adhering to its stance of 'withdrawal of accommodation'. It reiterated its goal of keeping headline inflation at 4%, while estimating an inflation rate of 5.4% for FY 2023-24.

In FY 2023-24, strong consumption and investment activities fuelled the country's economic growth rate. Urban consumption played a significant role in driving this growth, while there was also notable growth in rural demand. The increased sales of Fast-Moving Consumer Goods (FMCG), two-wheelers, and tractors indicate a strong rural demand. This boost in rural consumption can be attributed to rising rural wages and a decrease in inflation. Moreover, increased kharif production and a higher Minimum Support Price (MSP) have contributed to higher rural income, reinforcing the upward trend in rural consumption.

Indian consumers have experienced a significant increase in per capita income, with India's per capita Net National Income (NNI) at constant (2011-12) prices rising by 35.12%. The NNI grew from ₹ 72,805 in FY 2014-15 to ₹ 98,374 in FY 2022-23, indicating improved economic conditions and a growing middle class with greater disposable income. Moreover, heightened government capital expenditure is poised to propel economic growth by stimulating consumer spending

Source: PIB

Market size of FMCG in India (in USD Billions)



Source: Statista June 2024, (<https://www.statista.com/statistics/742463/india-fm-cg-market-size/>)

Team lease services report dated March 2024

The FMCG sector is segmented into Household and Personal Care, Food & Beverages, and Healthcare, which account for 50%, 31%, and 19% of the market, respectively. Tier 2 and Tier 3 cities are emerging as key markets, surpassing metropolitan areas in retail consumption. In the retail sector, Modern Trade (MT) exhibited strong growth with a notable 16.8% year-over-year (YoY) increase in the fourth quarter of 2023, reflecting resilience and steady demand. Conversely, Traditional Trade (TT) saw a decline, with consumption dropping to 5.3% YoY in Q4 2023 from 7.5% YoY in the previous quarter. Despite these challenges, the strong performance of Modern Trade suggests a promising outlook for the overall market landscape.

and nationwide infrastructure. The surge in government spending is expected to generate a domino effect throughout the economy, leading to increased demand, robust supply chains, and expanded market opportunities. For FY 2024-25, the government aims to elevate capital expenditure to ₹ 11.1 lakh crore, up from ₹ 10 lakh crore in FY 2023-24. This substantial increase indicates the government's dedication to boost economic growth and strengthening the nation's infrastructure framework.

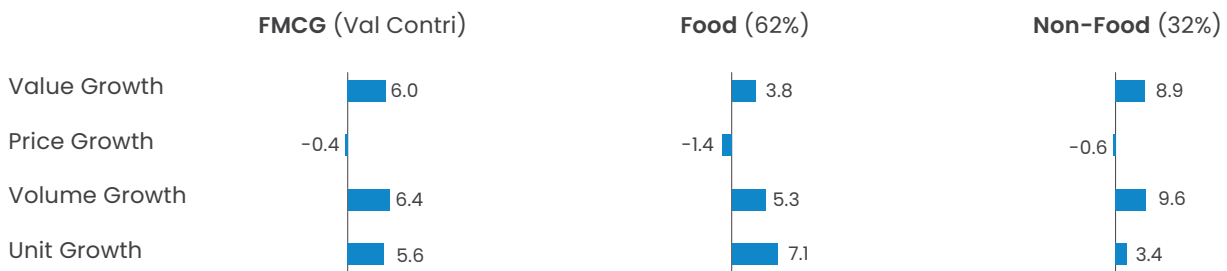
Industry Overview

Fast-Moving Consumer Goods (FMCG)

Over recent years, the FMCG sector in India has seen impressive growth and undergone substantial transformation. The growth has been driven by a rapidly growing economy, higher levels of consumer spending, and advancements in technology. The FMCG in India is ranked as the country's fourth largest sector with its growth further driven by increased disposable income and improved living standards. The FMCG sector grew to a market size of USD 167 Billion in FY 2022-23 and is poised for continued growth with a compound annual growth rate (CAGR) of 14.9% to reach USD 220 Billion by FY 2024-25. The FMCG industry is further expected to reach USD 616 Billion by FY 2026-27, according to Statista.

The FMCG industry experienced a 6% growth, with a volume increase of 6.4% and a price decline of 0.4% during 4Q2023. Within the FMCG industry, food categories grew by 3.8% across its volume and experienced a 1.4% decline in price, indicating a slowdown compared to the previous quarter. However, the overall food category grew by 2.4% in 4Q2023. The habit-forming food categories also remained resilient, maintaining demand despite moderate price growth. Rural areas experienced a growth rate of 5.8%, playing a significant role in significantly contributing to the FMCG sector's expansion in the fourth quarter of 2023.

Volume Growth across Rural FMCG Markets in both Food and Non-Food Products for the period 4QCY2023



Source: Nielsen March 2024 report

Going forward, growth in the FMCG industry is anticipated to be led by higher sales volumes in FY 2024-25. India is projected to become the world's third-largest consumer market by 2030. The growth will

be driven by increased consumer spending, increasing middle-class population, price stability, predictions of good monsoon rains, and optimistic forecasts for crop yields.

Source: <https://group.teamlease.com/fmccg-sector-in-india/>

(<https://www.statista.com/statistics/742463/india-fmccg-market-size/>)

<https://nielseniq.com/global/en/insights/analysis/2024/indias-fmccg-market-remains-resilient-and-is-poised-for-growth-in-2024/>

Dairy Industry Overview

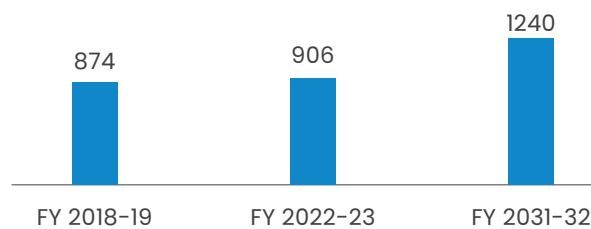
Global Dairy Industry

The dairy industry is a major and dynamic part of global agriculture industry. Dairy farming and processing are essential to economies and support many people's livelihoods worldwide. There are about 133 million dairy farms globally, providing a living for over 600 million people, including 80 million women, with around 37 million of them leading their farms, as per the IMARC 2024 report. Each year, 9.0% of the world's milk production is traded internationally, emphasising the industry's importance in global trade. The global dairy market reached a size of USD 945 Billion in 2023.

Going forward, the global dairy market is expected to grow to USD 1,460 Billion by 2032, with a CAGR of 5.0% during the period from 2024 to 2032.

In 2023, global milk and milk products production reached 906 Million Metric Tonnes, with a CAGR of 0.7% from 2018 to 2023. The demand for milk continues to rise worldwide due to several factors. Population growth, rising incomes, urbanisation, and the adoption of western dietary habits in developing countries such as China and India are significant drivers of the increasing global demand for milk and milk products.

Global Milk and Milk Products: Production Volume (in Million Metric Tonnes)



Source: IMARC

Steady growth in global demand for milk and milk products is anticipated over the next five years. However, the milk supply in regions such as China,

India, Southeast Asia, and Africa is not expected to keep pace with this rising demand. As a result, these markets are becoming increasingly important for global dairy companies, which are meeting the demand with dairy ingredients and locally produced consumer goods. In contrast, developed nations, where consumption levels are already high, are expected to experience a more stable demand outlook. Going forward, the production of global milk and milk products is expected to increase significantly, with a projected CAGR of 3.8% during 2024-2032 by reaching 1,240 Million Metric Tonnes.

Indian Dairy Industry

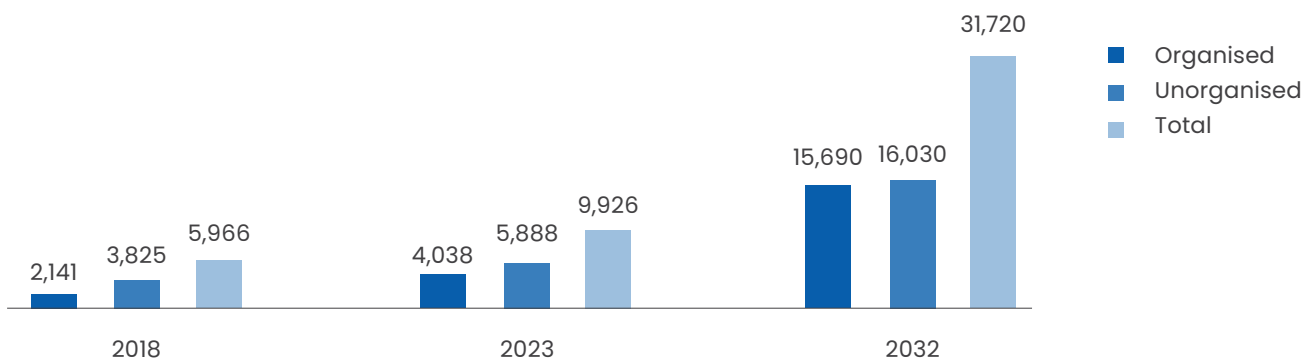
India represents one of the largest and fastest-growing markets for dairy products. In 2023, the total size of the dairy market was worth ₹ 9,926 Billion, growing at a CAGR of around 10.7% from 2018 to 2023. The Indian dairy market is expected to maintain a CAGR of 13.9% from 2024 to 2032, reaching a total value of ₹ 31,720 Billion by 2032.

The unorganised dairy market in India consists of milk sold by traditional milkmen, vendors, and self-consumption at home. The unorganised segment accounted for most of the market, comprising 59.3% and valued at ₹ 5,888 Billion in 2023. The unorganised

market, expected to reach ₹ 16,030 Billion, is projected to grow at a CAGR of 11.8% during the same period.

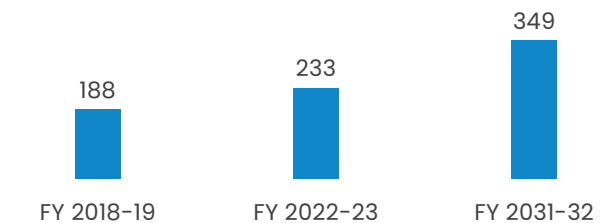
However, the organised segment, valued at ₹ 4,038 Billion, has been rapidly expanding in the country. Between 2018 and 2023, the organised market grew at a CAGR of 13.5%, compared to 9.0% growth in the unorganised segment during the same period. In contrast, the organised market is forecasted to grow at a higher CAGR of 16.4% from 2024 to 2032, reaching ₹ 15,690 Billion. By the end of the forecast period, the organised segment is expected to account for approximately 49.5% of the total dairy market in India.

Indian Dairy Market Sales Forecast (in ₹ Billion)



The increase in economic activities, higher per capita consumption of milk and dairy products, changing dietary habits due to urbanisation, and ongoing government support for the dairy industry are expected to boost milk production and consumption in India. By FY 2031-32, milk production levels are projected to increase to 349 Million Metric Tonnes from 233 Million Metric Tonnes recorded in FY 2022-23.

Milk production (in Million Metric Tonnes)



Source: IMARC

Growth Drivers

Increasing Urbanisation and Middle Class Population:

The growing middle class and urbanisation trend in India are significant drivers for organised dairy products. According to a Goldman Sachs Research report, the group of affluent consumers is expected to increase from around 60 million in 2023 to 100 million people by the year 2027. Urban consumers are increasingly seeking safe and quality-assured dairy products, driving the growth of organised dairy market.

Growing Quick Commerce: Growing quick commerce focuses on delivering products rapidly, often within an hour, which aligns with the increasing consumer demand for convenience and speed. FMCG companies are expected to boost sales and enhance customer satisfaction by leveraging advanced logistics and

digital platforms. The shift towards quick commerce enables FMCG companies to cater to the modern consumer's preference for fast access to daily essentials, driving substantial growth and offering a competitive edge in the market.

Huge Working Population: The working population in India grew from 758 million in 2010 to 826 million in 2015. By 2030, the working population is anticipated to increase further to 988 million. With a substantial working population, there would be a rise in disposable incomes. This demographic trend would further fuel the demand for convenient dairy products such as ready-to-eat or ready-to-drink options. Moreover, increased urbanisation has led to higher consumption of takeaway and dine-out foods, including dairy-based items.

Dynamic Dietary Patterns: There is a noticeable shift in dietary habits among Indians, with reduced consumption of cereals and an increasing preference for milk and milk products. This change is driven by health consciousness and evolving dietary preferences towards nutritious and protein-rich dairy options.

Significant Vegetarian Population: India has a significant vegetarian population that relies on milk as a primary source of protein. This demographic segment drives consistent demand for milk and milk products in various forms.

Source: <https://www.goldmansachs.com/intelligence/pages/indias-affluent-population-is-likely-to-hit-100-million-by-2027.html#:~:text=By%202027%2C%20according%20to%20a,100%20million%20people%20by%202027,IMARC%20report>

Expanding Niche Dairy Products: Traditionally focused on cow and buffalo milk, the Indian dairy industry is witnessing the growth of niche dairy products. Increased internet penetration and rising consumer awareness have fuelled demand for alternative dairy sources such as camel milk, goat milk etc. These products are gaining popularity for their perceived health benefits and nutritional value, diversifying the dairy market in India.

Government Initiatives

The Government of India has introduced several initiatives to support and strengthen the dairy sector. As of February 2024, the Government of India has announced to provide credit guarantee to the MSME and Dairy Cooperatives up to the 25% of the credit borrowed from the Credit Guarantee Fund of ₹ 750 crore. The major schemes announced by the government are as follows:

- a. Animal Husbandry Infrastructure Development Fund (AHIDF):** The Animal Husbandry Infrastructure Development Fund (AHIDF) will be implemented under the Infrastructure Development Fund (IDF) with an outlay of ₹ 296 Billion for the next three years, up to FY 2025-26.
- b. National Livestock Mission (NLM):** This mission aims to promote sustainable development of livestock sector through various interventions such as breed improvement, feed and fodder development, animal health and veterinary services, and skill development. It seeks to enhance productivity and profitability of livestock farming while ensuring livelihood security for livestock farmers across India.
- c. Livestock Health and Disease Control (LH&DC) Scheme:** As of February 2024, the scheme includes a 50% capital subsidy provision, offering up to ₹ 50 lakhs to individuals, follow-on public offers, Self Help Groups, Joint Liability Groups etc. for establishing entrepreneurship related to horses, donkeys, mules, and camels. Additionally, state

governments would assist in breed conservation efforts for horses, donkeys, and camels.

- d. Rashtriya Gokul Mission:** The Department of Animal Husbandry and Dairying is implementing the Rashtriya Gokul Mission, focusing on the development and conservation of indigenous bovine breeds, genetic improvement of the bovine population, and enhancement of milk production and productivity. This initiative aims to make milk production more financially rewarding for farmers. The scheme continues under revised and realigned schemes of the Department from FY 2021-22 to FY 2025-26, with an allocation of ₹ 2,400 crore.
- e. National Programme for Dairy Development (NPDD):** The NPDD scheme aims to enhance the quality of milk and milk products and increase the share of organised milk procurement. As of January 20, 2024, approximately 206 projects have been approved under this scheme.
- f. Dairy Entrepreneurship Development Scheme (DEDS):** The Dairy Entrepreneurship Development Scheme (DEDS) aims to promote the establishment of modern dairy farms to produce clean milk, encourage heifer calf rearing to conserve good breeding stock, and implement structural changes in the unorganised sector to facilitate initial milk processing at the village level. Additionally, the scheme focuses on upgrading the quality and traditional technology for commercial-scale milk handling. It also seeks to generate self-employment opportunities and provide necessary infrastructure, primarily targeting the unorganised sector.

Source: <https://pib.gov.in/PressReleaseframePage.aspx?PRID=2001054>
<https://www.thehindubusinessline.com/economy/agri-business/union-cabinet-expands-national-livelihood-mission-with-new-subsidy-provisions/article67872324.ece>
<https://pib.gov.in/PressReleaseframePage.aspx?PRID=2003559>
https://www.pnbindia.in/document/agricultural-banking/DEDS_23022016.pdf
<https://dahd.nic.in/schemes/programmes/npdd>

Exploring Category Market Potential in India

Dairy products such as milk, ghee, curd, paneer, cheese, and khoya are widely utilised in India for making sweets, meals, beverages, and more. Dairy products play a vital role throughout the day in the Indian diet, from morning tea to breakfast, lunch, and dinner, serving as a core component of meals. These products

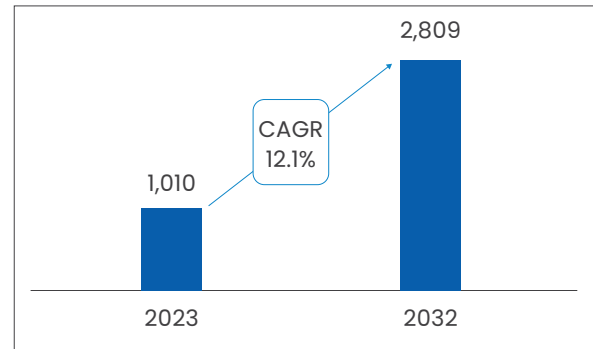
are not only integral to traditional Indian recipes but are increasingly being incorporated into western dishes to cater to Indian tastes. For example, paneer, a popular Indian dairy product, is now used in western foods like pizzas and burgers. This adaptation reflects a growing trend of blending traditional Indian flavours with global cuisines.

Ghee

Ghee is the most consumed dairy product in India after liquid milk and curd. Ghee contains a substantial amount of healthy fats, along with vitamins A, E, and D, and is rich in omega-3 fatty acids, beneficial for enhancing brain and heart health. Ghee is preferred over other fats and oils due to its high content of easily absorbable medium-chain fatty acids, which promote energy production in the liver. Urban consumers, especially those who are health-conscious, are increasingly favouring ghee, particularly cow ghee, for its perceived health benefits.

- In 2023, ghee sales in India were valued at approximately ₹ 1,010 Billion, reflecting a compound annual growth rate (CAGR) of 10.4% from 2018 to 2023. Looking ahead, sales are projected to reach ₹ 2,809 Billion by 2032, with an anticipated CAGR of 12.1%
- The stable shelf life, due to antioxidants and low moisture content, along with increasing health consciousness and changing dietary habits, is driving the demand for ghee in the country.

Ghee (Sales in ₹ Billion)

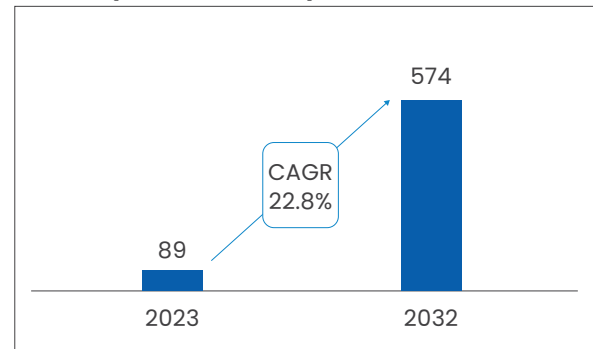


Source: IMARC

Cheese

- Cheese is one of the fastest-growing markets among dairy products in India. The rise in food service outlets like Pizza Hut and Domino's, along with changing food habits, has driven demand for cheese. There were 1,195 Domino's pizza outlets across 276 cities in India and close to 400 - 500 pizza hut outlets across around 100 cities in India.
- In 2023, the Indian cheese market valued at ₹ 89 Billion. The institutional segment dominated the market with 60.3% of the share, while the retail segment accounted for 40.4%. Processed and cheddar cheese led the market with a 47.9% share, followed by mozzarella at 37.2% and other types at 14.9%.
- Maharashtra was the largest market for cheese in India in 2023, with a consumption share of 28.4%, followed by Gujarat with 12.9%, Delhi with 7.6%, Tamil Nadu with 6.8%, Karnataka with 6.1%, Uttar Pradesh with 5.9%, and West Bengal with 4.9%.
- Going forward, the cheese market is expected to grow at a CAGR of 22.8% from 2024 to 2032, reaching a value of ₹ 574 Billion by 2032.

Cheese (Sales in ₹ Billion)

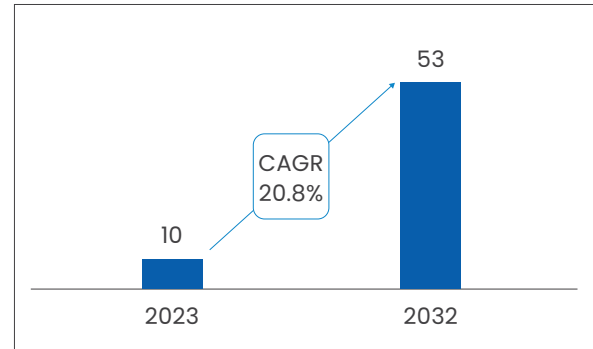


Source: IMARC

Whey protein

- In 2023, the total whey powder market in India was valued at around ₹ 10 Billion, growing at a CAGR of approximately 11.9% from 2018 to 2023.
- The fitness craze among high and middle-income consumer groups is fuelling demand for nutrition-enhancing products like whey. Whey is gaining popularity among athletes and sports enthusiasts worldwide because it helps improve athletic performance and strength.
- Steady demand from nutritional applications such as nutritional formulas, infant formulas, milk-based nutritional drinks, sports nutrition, and weight management products are expected to be key catalysts for this segment in the coming years.
- Looking ahead, total whey powder sales are expected to grow at a CAGR of 20.8% from 2024 to 2032, reaching a value of ₹ 53 Billion by 2032.

Whey Protein (Sales in ₹ Billion)

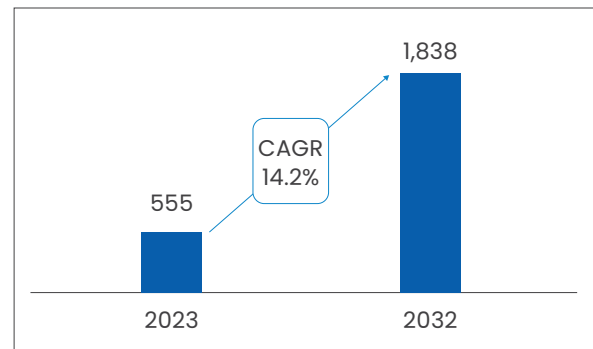


Source: IMARC

Paneer

- The Paneer market in India was valued at ₹ 555 Billion in 2023, with the organised sector in the paneer market reached a value of ₹ 23 Billion.
- Factors such as changing food habits, the rise of fast-food chains, and the increased consumption of pasta and pizzas, along with the easy availability of raw materials like milk, are boosting the demand for paneer in the region.
- In 2023, Uttar Pradesh represented the largest market for paneer in India with a share of 15.1%, followed by Maharashtra with 13.0%, Rajasthan with 9.2%, Punjab with 8.7%, Madhya Pradesh with 7.9%, Haryana with 6.6%, and Gujarat with 5.7%.
- From 2024 to 2032, total sales of paneer are expected to grow at a CAGR of 14.2%, reaching ₹ 1,838 Billion, with the unorganised sector reaching a value of ₹ 1,701 Billion.

Paneer (Sales in ₹ Billion)

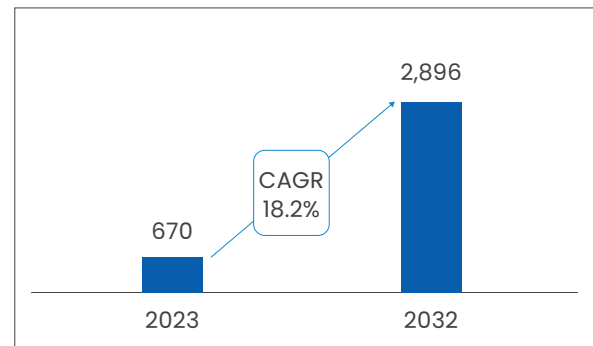


Source: IMARC

Curd

- The total curd market in India is expected to grow at a CAGR of 18.2% from 2024 to 2032, reaching a value of ₹ 2,896 Billion by 2032 from ₹ 670 Billion in 2023.
- The organised curd market is expected to reach ₹ 491 Billion by 2032.
- In the organised curd market, Maharashtra represented the largest market in India in 2023 with a consumption share of 14.1%. Maharashtra was followed by Tamil Nadu with 11.7%, Delhi with 9.3%, Andhra Pradesh with 9.0%, Karnataka with 7.6%, Gujarat with 6.5%, and Uttar Pradesh with 5.5%.

Curd (Sales in ₹ Billion)

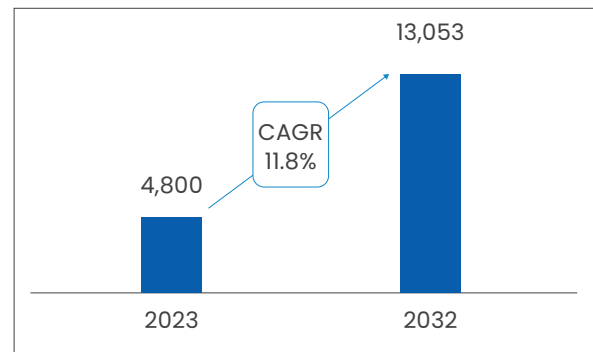


Source: IMARC

Liquid milk

- Liquid milk is the largest segment of the Indian dairy sector, valued at ₹ 4,800 Billion in 2023. About 51.4% of this milk is sold through the unorganised sector.
- In 2023, the market value of liquid milk sold through the organised sector was ₹ 2,335 Billion, while the unorganised sector accounted for ₹ 2,465 Billion. However, the organised sector is growing rapidly, with a CAGR of 15.3% from 2018 to 2023, significantly outpacing the unorganised sector's CAGR of 9.0% during the same period.
- The upcoming phase of the National Dairy Plan, supported by the World Bank and with a project cost of around ₹ 1,400 crore, is expected to boost milk productivity in several states of India.

Liquid Milk (Sales in ₹ Billion)



Source: IMARC

Business Overview

Parag Milk Foods Limited (hereafter referred to as 'Parag' or 'the Company'), established in 1992, stands as India's one of the largest private dairy FMCG Company. Parag's robust infrastructure and strong distribution network positions it well to seize the opportunities arising from the changing macro environment. The Company's manufacturing plants are strategically located in Manchar, Maharashtra, Palamaner, Andhra Pradesh, and Sonipat, Haryana.

Parag's specialisation in healthful and nutritious 100% cow's milk products, along with its integrated business approach and strong Research & Development (R&D) capabilities, have positioned the Company as a leader in innovation. Parag has continuously strengthened its capabilities, aiming to capture a larger share of consumer spending through its diverse portfolio of products.

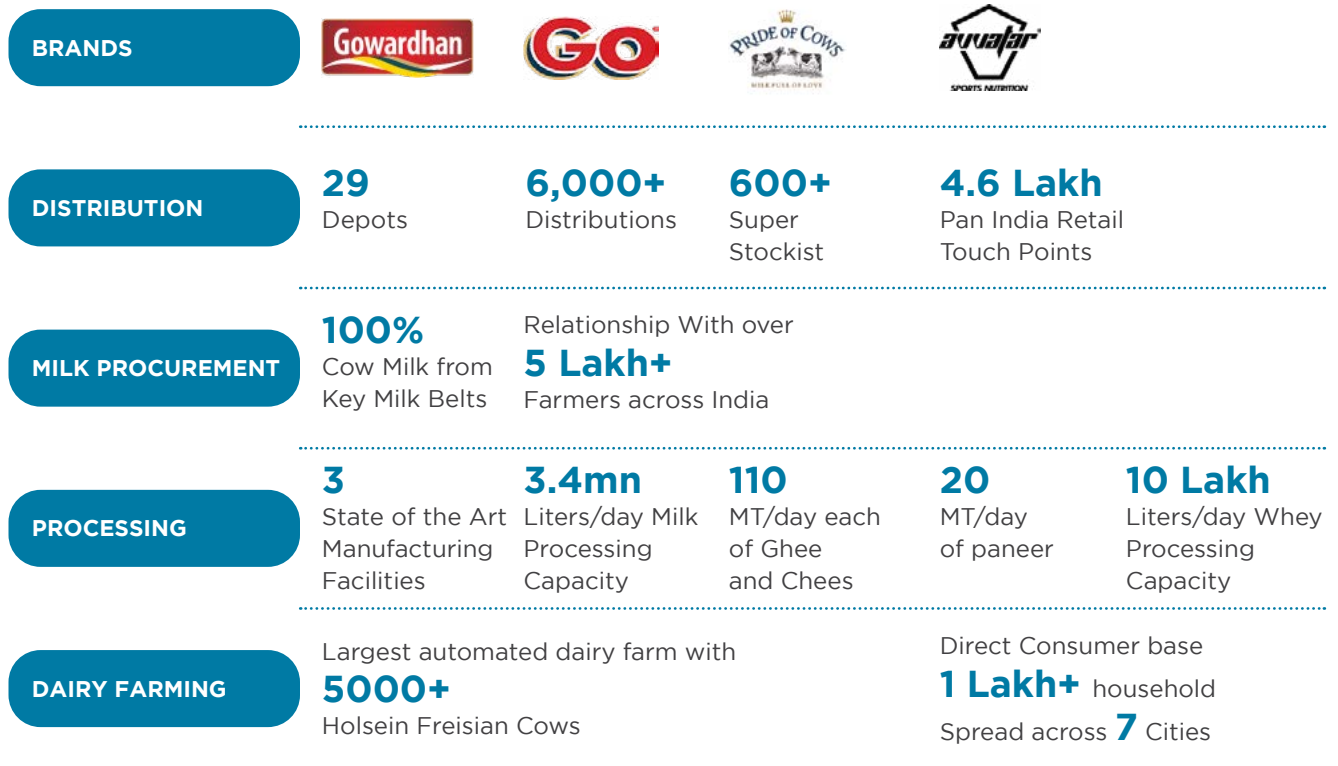
Parag sets itself apart from other dairy players by operating as an integrated entity covering dairy



farming, processing, and branding. The comprehensive approach enables the Company to maintain strict control over processes and uphold exceptional product quality, promoting strong brand recall and customer loyalty. Additionally, Parag's sound infrastructure serves as a significant entry barrier for competitors, securing its unique position in the industry.

A primary competitive advantage for Parag lies in its business strategy, which addresses 80% of consumers' daily dietary needs. The Company's wide range of products plays an integral role in various meals, including breakfast, lunch, and dinner, forming an essential part of everyday consumption.

Integrated Business model



Parag's has an extensive distribution network, including 4.6 lakh retail touchpoints, 6,200+ distributors, 682 super stockists, and 29 depots spread across India. In addition, the Company has strong partnerships with over 500,000 farmers globally, sourcing 100% cow milk from key milk belts. Parag has demonstrated its dedication to quality by operating the largest automated dairy farm, housing over 5,000 Holstein Friesian cows.

Parag offers well-known Pan-India mass affluent brands with a diverse portfolio tailored to various economic classes. Gowardhan Fresh Milk, Gowardhan Dahi, Gowardhan Buttermilk, and Milko Cheese are among the popular products catering to the mass market. The Company delivers its flagship brand, Gowardhan Ghee, alongside the distinctive "Swarna" ghee and a wide range of GO cheeses to the mass-affluent segment. Moreover, Parag serves the upper tiers of the economy through its new-age ventures, Pride of Cows and Avvatar.

Parag's success is driven by its strategic emphasis on value-added dairy products. These products, including ghee, cheese, and beverages, make up approximately

70-80% of Parag's portfolio. Over the years, Parag has seen substantial growth in the share of value-added dairy products, rising from 50% a decade ago to around 70% currently. This focus on value-added products serves as the primary growth driver for the Company.

Product Performance

In FY2023-24, Parag's product value mix included a variety of offerings tailored to diverse consumer preferences:

- **Milk:** Milk accounted for 9.1% of Parag's product mix, offering various types like toned, full-cream, and low-fat, providing essential nutrients and nourishment.
- **Value-Added Milk Products:** The value-added milk products category constituted a significant portion, accounting for 68.3% of the product mix. These products undergo additional processing or incorporate specific ingredients to enhance their nutritional value or taste.
- **New Age Products:** Making up 4.7% of the product mix, Parag introduced a range of new-age products aligned with evolving consumer trends and preferences. This includes brands like Pride of

Cows, a premium dairy brand, and Avvatar, a whey protein business.

- **Skimmed Milk Powder (SMP):** Skimmed Milk Powder represented 17.9% of Parag's product mix. Derived by removing the fat content from milk, SMP offers an extended shelf life and finds applications in various food products such as bakery items, confectionery, and dairy-based desserts.

Overall, Parag's product mix in FY 2023-24, showcased a comprehensive range of dairy product offerings, emphasising value-added milk products and reflecting an understanding of emerging market trends.

Brand Performance

- **Gowardhan Ghee:** Gowardhan is a brand tailored to Indian households across urban and rural regions. Its product range comprises daily dairy essentials familiar to consumers, including Ghee, Milk, Paneer, Dahi, Curd, Butter, Dairy Whitener, and Gulab Jamun Mix. During FY24, the Company has entered the traditional sweets category under the brand Gowardhan. This forward integration features a range of seven delectable sweets, including Kaju Katli, Malai Pedha, Kesar Pedha, Kaju Pista Roll, Mawa Gujiya, Mysore Pak, and Malai Modak. The Gowardhan brand experienced a 25% growth in FY 2023-24.
- **GoCheese:** The Go brand is designed for modernised and westernised families leading busy, active lives. Its target audience includes young working couples and urban-centric families with well-travelled backgrounds, often with active children.
- **Pride of Cows:** Pride of Cows, a brand within Parag's portfolio, provides a unique farm-to-home milk experience that truly sets it apart from other products. It is marketed as a premium dairy brand with a single origin, sourced from India's most advanced dairy farm.
- **Avvatar:** Avvatar is Parag's sports nutrition brand, distinguished as the first Company in India to introduce fresh vegetarian whey protein. Since its launch in CY 2017, the Avvatar brand has received enthusiastic feedback from consumers and gained widespread acceptance in the Indian market.

Subsidiary Performance

- **Bhagalaxmi Dairy Farm:** The Company has implemented backward integration through its own Bhagalaxmi Dairy Farm, which has been recognised as India's most advanced farm comprising of 35+ acres and equipped with top-notch international technology. This farm accommodates over 5000 cows and serves as the foundation for the premium offerings sold under the brand 'Pride of Cows.' These high-quality products cater to SEC A+ consumers and include whole milk, fat-free milk, ghee, paneer, and curd. The Company has pioneered the 'farm to home' concept, experiencing remarkable growth as a result.

- **Expansion of Bhagalaxmi Dairy Farm:** Parag has embarked on ambitious expansion plans to enhance its presence in backend operations and address the rising demand for fresh, premium dairy products. The Company has expected the project to reach a peak production of approximately 1.4 lakh litres of milk daily, with commencement already underway and completion slated for 2027. Through this expansion, Parag aims to augment milk production and cater to the ever-growing market demand.
- The Subsidiary's brand Pride of Cows originated with a premium milk proposition and has subsequently broadened its product range to include Pride of Cows Milk, Pride of Cows – Fat free milk, Pride of Cows- Ghee, and Pride of Cows – Paneer.

Parag intends to expand its dairy vertical to cater to the escalating need for unadulterated premium dairy products. The Company's greenfield expansion initiative includes 500 acres of land situated 40 kilometres from Nashik at Bota. This endeavour entails the establishment of a cutting-edge dairy farm capable of accommodating around 15,000 cows, representing nearly fivefold the current capacity.

- **Bhagalaxmi Bioscience Division:** The Bhagalaxmi Bioscience Division conducts research on various formulations for quality cattle feed aimed at enhancing milk yields and sustainability. In this division, waste matter is converted into useful marketable material, such as manure. Additionally, the facility operates its own biogas plant with a power generation capacity of 600 m³, utilised for captive consumption.

International Operations

- Exports contributes around 1% to overall revenue.
- The Company has planned to establish a wholly owned subsidiary (WOS) in Dubai, UAE. This strategic initiative aims to expand its global reach and create a seamless supply chain to serve the international market effectively.

New categories & launches during the year

- The Company has expanded its Avvatar portfolio with the introduction of Avvatar Mango Rush, adding a mango flavor option during the year. Additionally, Parag has launched several new products, including Masala Tadka chass, plain lassi, and mango lassi in pouches under the fresh category, available at affordable price points.
- The Company has forward integrated into traditional sweet segment under the brand 'Gowardhan'. Currently it has seven delectable sweets range namely Kaju Katli, Malai Pedha, Kesar Pedha, Kaju Roll, Mawa Gujiya, Mysore Pak, and Malai Modak. With an estimated branded market size of ₹ 7000-8000 crore, the Indian sweets market presents vast opportunities for growth and innovation.

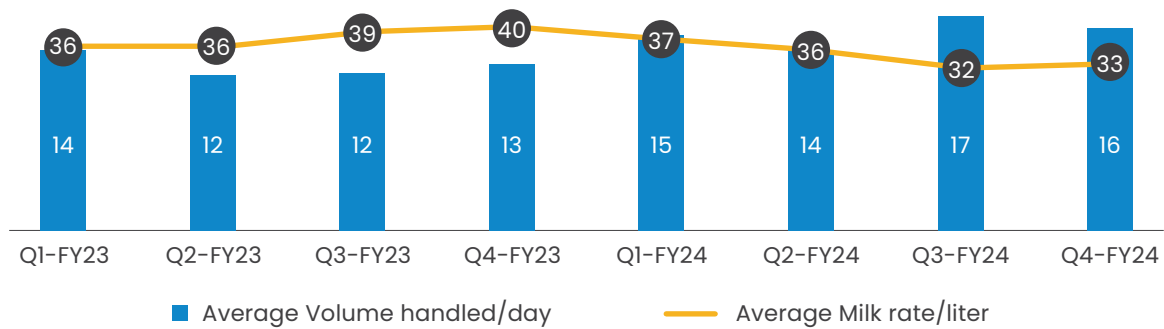
Key financial highlights

In FY 2023-24, Parag has delivered exceptional performance across all business verticals, achieving the highest-ever revenue driven by volume, value, and product mix. The outstanding performance was attributed to extensive distribution reach and outlet coverage, complemented by impactful marketing and branding campaigns as well as premium pricing in flagship products.

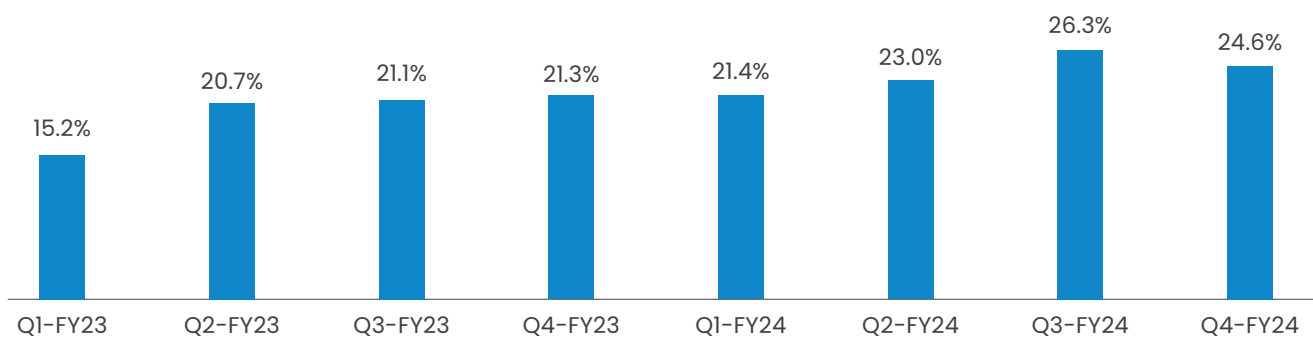
- The Company's Consolidated Revenue surged by 8.5% YoY to ₹ 31,387 million, driven by robust growth across all its brands. Gowardhan, Go Cheese, Pride of Cows and Avvatar.
- The share of new age business accounted for 4.7%, while liquid milk represented 9.1%, and value-added Products contributed to 68.3% of total revenue. Additionally, skimmed milk powder saw a YoY increase of 17.9%.

- In FY 2023-24, domestic milk prices have stabilised and softened compared to FY 2022-23, owing to proactive measures implemented by the government to curb inflation.
- For Parag, softening raw material prices and an improved product mix resulted in a consistent improvement in Gross Profit Margins, that reached ₹ 7,487 million. The Company experienced a 420-basis points expansion in overall Gross margins compared to the previous year.
- Despite industry and macroeconomic challenges, Parag demonstrated resilience, with an increase in planned purchase procurement. On an average, the Company managed approximately 17 lakh litres of milk daily, highlighting its strong network and meaningful relationships within the farmer community.

Milk Volume and Prices



Gross Margin Performance in Past 2 Years



- EBITDA amounted to ₹ 2,223 million, with margins at 7.1%, compared to ₹ 1635 million and an EBITDA Margin of 5.70% recorded in FY 2022-23.
- Profit After Tax stood at ₹ 906 million, as compared to ₹ 533 million witnessed in FY 2022-23.
- The Board of Directors has recommended a dividend of ₹ 0.5 per equity share (face value of ₹ 10 each) for the year ended March 31, 2024, amounting to approximately ₹ 6 crore.

Distribution Reach

The overall business growth was comprehensive, with all distribution channels contributing to a strong performance. In FY 2023-24, the General Trade, Modern Retail, and Hotel/Restaurant/Café (HoRECA) verticals witnessed growth of 19% YoY, 23% YoY, and 7% YoY, respectively.

Brand Building Initiatives

The Company continued to strengthen its brand equity reach by adopting unique content-led impact marketing and branding activities. Parag's strategic integration with Kaun Banega Crorepati (KBC) has proven highly effective in enhancing strong consumer connections and extending its distribution network. The Company has renewed its collaboration with KBC, anticipating even broader reach, particularly in tier 2 and tier 3 towns and cities. As part of its ongoing strategic initiatives, Parag remains committed to expanding its distribution network and enhancing outlet coverage. The Company teamed up with

Starplus for IPL integration, featuring the 'Go Cheese' brand prominently during every four runs scored during the match. The Company also engaged in brand promotion through mall activations, influencer activities on social media, participating in the Radio Mirchi Navratri event, and various consumer offers. The Company's participation in The Fit Expo 2023 showcased its Avvatar brand, contributing to increased brand visibility and consumer engagement. Through these initiatives, the Company aimed to drive on-ground sales growth and strengthen its presence across different channels.

Strong Focus on the Key Strategic initiatives – The Company continues to strive to keep its focus on the key strategic initiatives embarked by it

Consolidated Financial Ratios

Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	% of variation from previous Year
Current Ratio (in times)	Current assets	Current liabilities	1.86	1.92	(3%)
Debt - Equity Ratio (in times)	Total Debt	Total shareholders' equity	0.72	0.77	(7%)
Debt Service coverage ratio (in times)	Earnings for Debts Service	Current debt	2.51	2.10	20%
Return on equity (in %)	PAT	Total average equity	10.7%	8.0%	34%
Inventory Turnover Ratio (in times)	Sales	Average inventory	5.28	5.50	(4%)
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	15.22	19.71	(23%)
Trade payables turnover ratio (in times)	Net Credit Purchase	Average trade payables	13.18	12.78	3%
Net capital turnover ratio (in times)	Revenue from operations	Working capital	5.19	5.35	(3%)
Net profit ratio (in %)	Net profit	Revenue	3%	2%	58%
Return on capital employed (in %)	PBIT	Capital employed	13.7%	11.0%	25%
Return on investment (in %)	Earning before interest, tax and exceptional items	Average total assets	9.1%	7.7%	19%

Opportunities and Risks

Risks	Mitigation measures
<p>Raw Material Price Risk: The Company's business faces risks associated with fluctuations in raw material prices, driven by global and regional market forces, including availability, demand, and inventory levels. Variations in these factors can lead to increased operating costs.</p>	<p>To mitigate these risks, the Company has engaged in long-term supply agreements, diversified supplier base to manage price volatility. Additionally, ongoing market analysis and strategic sourcing helps the Company to minimize the impact of raw material price changes on its financial performance. Further, to ensure the most efficient and cost-effective procurement of raw materials, we have established a strong network of suppliers and draw on our industry experience to navigate potential risks in the market.</p>
<p>Economic Risk: Our business is exposed to various macroeconomic risks, including fluctuations in inflation, government regulations, exchange rates, interest rates, and political instability. Additionally, changing consumer demand presents a significant risk factor. These elements can impact our operations in several ways, such as affecting our cost structure, profitability, and market demand for our products or services.</p>	<p>To address these risks, we actively monitor economic indicators and regulatory changes and adapt our strategies accordingly. We engage in Contract Manufacturing for a wide range of our dairy products, which makes us less susceptible to economic downturns. Demand for dairy items tends to remain relatively stable, regardless of any changes in the economy. Our diversified Contract Manufacturing model enables us to keep our facilities operational and running smoothly.</p>
<p>Contract Risk: We face the risk of potential losses if we are unable to meet the requirements and expectations set by our clients. These requirements may include product specifications, delivery timelines, quality standards and compliance with contractual obligations. Failure to meet these expectations can result in financial penalties, loss of business, reputational damage and strained client relationships.</p>	<p>To mitigate this risk, we implement rigorous quality control processes, maintain clear communication channels with our clients and ensure that our project management and operational teams are well-equipped to handle client requirements. Regular reviews and audits help us to proactively address any issues that could impact our ability to meet client expectations. Additionally, we work to establish strong relationships with our clients to better understand their needs and address any potential challenges promptly.</p>
<p>Quality and Safety Risk: The non-compliance with safety and protection protocols poses a significant risk to our reputation and market standing. Breaches of established safety standards can lead to adverse consequences such as legal penalties, increased scrutiny from regulatory bodies and damage to our brand's reputation and goodwill.</p>	<p>To mitigate this risk, we adhere to a comprehensive set of safety and protection protocols and regularly review and update them to align with current regulations and industry best practices.</p> <p>Key measures include:</p> <p>Regular Training: Providing ongoing training for employees to ensure they understand and adhere to safety standards and protocols.</p> <p>Compliance Audits: Conducting regular internal and external audits to identify and address any potential non-compliance issues.</p> <p>Incident Reporting: Implementing robust systems for reporting and investigating any safety incidents or breaches to prevent recurrence.</p> <p>Continuous Improvement: Continuously evaluating and improving our safety practices based on feedback, audit results and industry developments.</p> <p>By maintaining strict adherence to safety and protection protocols and fostering a culture of compliance, we aim to safeguard our reputation and sustain trust and confidence among our clients and stakeholders.</p>
<p>Occupational Health & Safety Risk: The risk of physical harm to employees involved in manufacturing and frontline distribution activities, including accidents or injuries due to machinery, equipment or unsafe working conditions.</p>	<p>We have a dedicated Human Rights policy, strong SOPs (Standard Operating Procedures) to ensure the highest adherence to health and safety and a governance mechanism to ensure any incidents are duly investigated and resolved for the future. We ensure a periodic review of safety procedures, implementing and enforcing stringent safety protocols and procedures and we provide comprehensive training for all employees on safe operation of machinery and emergency response. We also conduct routine safety inspections and maintenance of equipment to ensure a safe working environment.</p>

Risks

Sustainability Risk: Corporate citizenship has gained significant importance as both individual and institutional investors increasingly seek out companies with strong socially responsible orientations. This focus on Environmental, Social and Governance (ESG) practices reflects a growing recognition that sustainable and ethical business practices contribute to a long-term value creation and risk management.

Redundancy Risk: With changing times the market trends rapidly evolve which necessitate the Company to keep in pace with changing consumer needs and accordingly innovate flavours and new products/ categories.

Compliance, Regulatory & Reputation Risks: Any unforeseen changes in the legal and regulatory environment may lead to non-compliance with local and global laws and regulations. This may result in erosion of brand equity and may result in claims or enforcement.

Competition Risk: The Company operates in a highly competitive dairy industry, characterized by significant domestic and international players. Given the promising growth prospects in this sector, the level of competition can be immense, presenting both challenges and opportunities for our business.

People Risk: The highly competitive nature of the industry creates a challenge for us in attracting and retaining skilled personnel. As a result, we are vulnerable to potential difficulties in filling various vacancies within the organisation.

Mitigation measures

By integrating ESG considerations into our corporate strategy and operations, we align with the expectations of modern investors and stakeholders. This commitment not only supports sustainable growth but also enhances our market position and long-term resilience. We are dedicated to continuously improving our ESG practices to meet evolving standards and demonstrate our commitment to responsible corporate citizenship. Further, dossier on ESG framework is covered in BRSR Report and ESG section included in this Annual Report.

We employ market research, trend analysis and consumer feedback mechanisms to gain insights into evolving tastes and preferences. We invest in research and development to explore new ingredients, formulations and product concepts. We streamline our product development cycles and maintain a responsive supply chain to adapt swiftly to market changes and introduce new offerings efficiently.

Compliance Monitoring: We maintain a robust compliance framework to monitor changes in laws and regulations at both local and global levels. This includes subscribing to legal updates, engaging with legal experts and participating in industry associations.

Risk Assessment and Management: Regularly conducting risk assessments to identify potential areas of non-compliance and implementing measures to address these risks.

Training and Awareness: Providing ongoing training for employees and management on legal and regulatory requirements relevant to their roles and responsibilities.

Legal Expertise: Engaging with legal professionals to ensure that our policies, practices and operations align with current laws and regulations.

By proactively managing these risks through diligent compliance practices and continuous monitoring, we aim to protect our brand equity, avoid legal challenges and ensure the long-term sustainability of our business.

Our products have good price value equation and has a long-term trust of our customers, enabling us to defend our market. Our sales team is close to the ground, quickly picking new developments in the market. We believe we are an agile organization to provide an appropriate response to competitive manoeuvres. The market is also large enough that multiple players can have a profitable growth in this segment.

We have a recruitment process which is methodological and helps us retain and attract the right talent. Our human resource team works persistently in finding the right people for the right job at the right time. We provide robust training programs, career advancement opportunities and mentorship to foster professional growth and enhance employee satisfaction. We cultivate a positive work culture with a focus on employee engagement, recognition and work-life balance to improve retention and attract top talent.

Internal Control Systems and their Adequacy

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

The Audit Committee and Risk Management Committee review internal controls and risk management frameworks based on quarterly reports from Internal Auditors. They recommend upgrades and corrections to the internal control systems, with the Board receiving

quarterly reports for review. The Company maintains a well-designed code of conduct, reviewed regularly. Prompt actions are taken in case of violations to ensure employee well-being and adherence to ethical standards.

The internal audit function operates with a risk-based annual audit plan approved by the Audit Committee. This plan uses a 10-factor risk approach to focus audits on key risk areas. Regular assessments are conducted to evaluate the effectiveness of Internal Financial Controls systems and ensure strong governance and risk management processes. Overall, these practices help ensure that the Company's operations are efficient, compliant and resilient against risks.

Cautionary Statement

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

BOARD'S REPORT

Dear Members,

The Board of Directors (Board) is pleased to present the 32nd Annual Report along with the summary of Audited Standalone and Consolidated Financial Statements of Parag Milk Foods Limited (Parag or Company or your Company) for the financial year (FY) ended March 31, 2024. The consolidated performance of the Company and its subsidiary has been referred to wherever required.

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

OVERVIEW OF FINANCIAL PERFORMANCE

The key highlights of Standalone and Consolidated Financial Results of the Company for the financial year ended March 31, 2024, are summarized as under:

(₹ in Million)

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Revenue from Operations	30,898.26	28,532.00	31,387.00	28,926.20
Other Income	87.55	351.62	252.09	451.57
Total Income	30,985.81	28,883.62	31,639.09	29,377.77
Earnings before Interest, Depreciation and Tax	2,073.71	1,741.17	2,223.47	1,634.93
Less :- Depreciation	557.05	540.73	602.53	572.75
Less:- Interest	688.19	528.57	762.38	551.56
Profit before Tax and Exceptional Items	828.47	671.87	858.56	510.62
Exceptional Items	-	-	-	-
Profit / (Loss) before tax	828.47	671.87	858.56	510.62
Less:- Tax expense				
(1) Current Tax:	-	-	8.23	-
(2) MAT (Credit) / Reversal	-	-	-	-
(3) Deferred tax:	(90.88)	(13.04)	(55.50)	(21.92)
(4) Tax adjustment in respect of earlier years	-	-	-	-
Profit for the Period / Year After Tax (PAT)	919.35	684.91	905.83	532.54
Earnings per Share				
Basic	7.83	6.52	7.71	5.07
Diluted	7.58	6.34	7.47	4.96

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

FINANCIAL PERFORMANCE AND STATE OF COMPANY'S AFFAIRS

Standalone

At Standalone level, the total Revenue from operations for FY 2023-24 increased by 8.29% to ₹30,898.26 Million against ₹28,532 Million in the Previous Year 2022-23. The Standalone Profit Before Tax for FY 2023-24 increased to ₹828.47 Million against ₹671.87 Million in the Previous Year 2022-23. The Standalone Profit after Tax for FY 2023-24 increased to ₹919.35 Million against ₹684.91 Million reported in the Previous Year 2022-23. The Operations and Financial Results of the Company are elaborated in the Management Discussion and Analysis Report, which forms part of the Annual Report.

Consolidated

Consolidated Revenue from Operations for FY 2023-24 stood at ₹31,387.00 Million reporting a growth of 8.51% as compared to ₹28,926.20 Million in FY 2022-23, driven by improvement in core categories of Ghee and Cheese which reported 3.5% growth. The Consolidated Profit Before Tax for FY 2023-24 increased to ₹858.56 Million from ₹510.62 Million in the Previous Year 2022-23. The Consolidated Profit After Tax for FY 2023-24 stood at ₹905.83 Million as compared to ₹532.54 Million in the Previous Year 2022-23.

PERFORMANCE ANALYSIS, OUTLOOK & BUSINESS HIGHLIGHTS

The Company started FY 2023-24 on a positive note with Consolidated income from operations stood at ₹7,495.86 Million as compared to ₹6,909.34 Million in Q1 FY 2022-23 growing by 8.5% YOY driven by strategic investment in marketing and brand building. Gross Profit, EBIDTA and Profit After Tax were higher compared on a quarter on quarter basis. The share of value-added Products for Q1 FY 2023-24 was 68.3% of total revenue, while that of liquid milk was 9.2%, for Skimmed Milk Powder was 18.8% and for New Age Business was 3.7% respectively. For Q2 FY 2023-24; the festive momentum started strong with healthy demand across the segments. Despite the high festive base of the last year, the core categories continued to post healthy volume and value growth driven by innovative branding and expanded distribution base. Consolidated Revenue from Operations for Q2 FY 2023-24 stood at ₹7,981.58 Million as compared to ₹6,648.40 Million in Q2 FY 2022-23 growing by 20.1% YOY. The share of value-added Products for Q2 FY 2023-24 was 66.6% of total revenue, while that of liquid milk was 9.4%, for Skimmed Milk Powder was 19.9% and for New Age Business was 4.1% respectively. The innovative brand integration with Kaun Banega Crorepati (KBC) had enabled PMFL to gain strong consumer connect and expand distribution reach.

For Q3 FY 2023-24; the consolidated revenue from operations grew by 8.8% on a YOY basis, at ₹8,008.4 Million. The growth came on the back of healthy growth in the ghee and the protein category. The softness in the milk prices coupled with improving product mix resulted in sharp expansion in the gross profit margin for the Company. The Gross profit for Q3 FY 2023-24 stood at ₹2,107.5 Million as against ₹1,556.10 Million in Q3 FY 2022-23. The share of new age business was 8%, while for liquid milk being 9.1% and value-added products at 64% of total revenue, while that for Skimmed Milk Powder was 18.9% respectively. The core categories of Ghee and Cheese have seen continuous traction throughout the period and have posted a growth of 11.1% Y-o-Y.

Overall, the year posted a very strong momentum on demand across business verticals and FY 2023-24 posted consolidated revenue of ₹31,387.00 Million. The outstanding performance was driven by widespread distribution reach, coupled with Brand building initiatives, premium pricing in flagship products and significant growth of new age business i.e. Brand Avvatar.

During the year under review, core categories of Ghee and Cheese have seen continuous traction throughout the year and have posted a growth of 3.5% Y-o-Y.

The protein portfolio consisting of the Premium Brand Avvatar, has been consistently growing at 100% CAGR for two years in a row. The overall protein portfolio has continued to record market share gains.

For FY 2023-24, the General Trade, Modern trade & E-commerce posted a growth of 3% Y-o-Y, 6% Y-o-Y, respectively.

The Company has bolstered its abilities in the rapidly growing new-age channels like Modern Trade and E-commerce, both of which have contributed to the overall growth of the Business of the Company. The Company has capitalized on the benign milk prices and expanded its gross margin profile along with premiumization and improvement in the value-added product portfolio. The Company continues to invest in brand building with the overall advertising & promotion spends at 4.2% for FY 2023-24 vs 2.5% in FY 2022-23.

BRAND BUILDING INITIATIVES & MARKETING HIGHLIGHTS

GOWARDHAN: The Company has strengthened its brand equity reach by adopting unique content-led impact marketing and branding campaigns. Continuing the momentum on the marketing innovation; the Company continued its effective collaboration with Kaun Banega Crorepati (KBC) for the second time. The association has enabled the Company to increase its consumer connect and strengthened the brand equity.

Further, the Company has forward integrated into traditional sweet segment under the brand 'Gowardhan'. Currently it has seven delectable sweets range namely Kaju Katli, Malai Pedha, Kesar Pedha, Kaju Pista Roll, Mawa Gujiya, Mysore Pak, and Malai Modak. With an estimated branded market size of ₹7000-8000 crore, the Indian sweets market presents vast opportunities for growth and innovation.

GO CHEESE: The Company has strengthened its brand equity reach by adopting unique content-led impact marketing and branding campaigns. Continuing the momentum of marketing innovation; the Company collaborated with StarPlus on IPL to enhance visibility and awareness for Go Cheese. Here the brand was displayed every time the batsman played a four and the band displayed "Har Four mein Go Cheese."

AVVATAR: The Company expanded the Avvatar portfolio with an addition of Mango Flavour - Avvatar Mango Rush.

OTHER INITIATIVES: The Company had also introduced various new products- Masala tadka chass, plain and mango lassi in pouches under fresh categories at pocket-friendly price points of ₹10-15 only.

EXPANSION OF SUBSIDIARY

The Company is expanding its Wholly Owned Subsidiary (WOS), Bhagyalakshmi Dairy Farms Private Limited (Wholly Owned Subsidiary / Bhagyalaxmi), which supplies exclusively to our brand "Pride of Cows" and is expected to reach over 15,000 Cows by FY 2026-27.

The Company also plans to incorporate a Foreign Wholly Owned Subsidiary (WOS) in Dubai, UAE. This will help the company to expand its reach and build seamless supply chain operations worldwide to cater the International Market.

REVIEW OF OPERATIONS

Strong network and steady relationship with 5 lakh farmers and more than 300 Bulk Milk Coolers (BMC) across India has helped our Company to stand strong during year under review. During the year, our Plant procurement purchase increased by 20% from 1.4 Million liters a day to 1.8 Million liters a day. The Company is built on the backbone of a robust network comprising of 29 strategically located Depots, 500+ Super Stockists, 4500+ Distributors. 4.6 lakh pan-India retail touch points which are expected to reach 13-15 lakh touch points by 2026-27.

The Company is optimizing its productivity to drive growth whereby:

- More than 70% of GT Business has been covered in sales force automation
- Leveraging vendors, re-negotiations, reverse auctions, office consolidation
- Depot & Cold Storage restructuring
- Beat planning in opportunity markets

The expansion would be driven by:

- Increasing distribution dominance in < 1 lakh towns
- Building Depots and infrastructure across India
- Aggressive outlet expansion

There was no change in the nature of business of the Company during the year under review.

BRAND BUILDING: STRATEGY

The Company's foremost strategic priority is to be one of the best performing, most trusted and respected dairy FMCG Companies across stakeholders.

EXPORT MARKET

Parag Milk Foods Limited continues to enjoy its presence and brand recall of Go and Gowardhan brands across several geographies through its exports to UAE, Singapore, Mauritius, Oman, Kuwait, Bahrain, Congo, Hong Kong, Philippines, Sri Lanka, Bangladesh, Maldives, Indonesia, USA, Nepal, Bhutan etc. It had also started expanding its reach in Qatar, Saudi Arabia, Malaysia. Our export sales has contributed 1.21% to the overall revenues.

PHILANTHROPIC ACTIVITIES

The Company has been efficacious in philanthropic activities for the Community as a whole and has continued to work in the following areas viz:

- Promoting Education i.e. Apprenticeship initiative through TeamLease Foundation
- Animal health and welfare

In addition to the above-mentioned areas, the Company has also undertaken certain impromptu efforts in the following areas during the year under review:

- Festival Feast Distribution & National Day Feeding Program;
- Hospital Food Relief Program;
- Essential Supplies Relief Initiative;
- Educational Plant Tour for Students; and
- Youth-focused IT courses.

DIVIDEND & RESERVES

Dividend Distribution Policy

The Company has formulated Dividend Distribution Policy in accordance with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any amendments thereto for bringing transparency in the matter of declaration of dividend and for protecting the interest of investors.

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

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

Dividend

The Board of Directors at its Meeting held on May 18, 2024, recommended a final dividend of ₹0.50/- per equity share i.e. 5% of face value of ₹10/- each for the financial year ended March 31, 2024, subject to approval of the shareholders at the ensuing 32nd Annual General Meeting (AGM).

If approved, the dividend would result in a cash outflow of ₹59.69/- Million payable to those Shareholders whose names appear in the Register of Members as on the Book Closure / Record Date. The total dividend payout works out to 6.49% of the Company's standalone net profit. In view of the amendment in the Income Tax Act, 1961 through the Finance Act, 2020, imposition of Dividend Distribution Tax (DDT) has been abolished. The dividend, if declared, at the ensuing AGM will be taxable in the hands of the Members of the Company and the Company is required to deduct tax at source (TDS) from dividend paid to the Members at prescribed rates as per the Income Tax Act, 1961.

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

Unclaimed dividends

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

Transfer to Reserves

During FY 2023-24, there was no amount proposed to be transferred to the Reserves.

SHARE CAPITAL

During FY 2023-24, the Authorised Share Capital of the Company was increased from ₹1,200 Million divided into 120 Million Equity Shares of Face Value of ₹10/- each to ₹2,000 Million divided into 200 Million Equity Shares of Face Value of ₹10/- each for the purpose of accommodating future issuance of securities by the Company.

Further, Paid-up Equity Share Capital increased from ₹1,173.76 Million to ₹1,193.76 Million consequent to allotment of 2 Million Equity Shares on February 14, 2024, to Ms. Akshali Shah, Member of Promoter Group pursuant to conversion of equal number of share warrants at a price of ₹93.75/- for each share warrant aggregating to ₹187.50 Million out of which ₹140.62 Million representing 75% had been received on exercise of option to convert these share warrants into Equity Shares.

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE COMPANY

There have been no material changes or commitments that have affected the financial position of the Company between the close of FY 2023-24 and the date of signing of this report.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

The Company has one Wholly Owned Subsidiary i.e. Bhagalaxmi Dairy Farms Private Limited as on March 31, 2024. There were no material changes in the nature of the business of the subsidiary. During FY 2023-24, no new subsidiary was incorporated / acquired. The Company does not have any associate company, nor has it entered into a joint venture with any other company.

The Board of Directors at its Meeting held on May 18, 2024 approved the incorporation of a wholly owned subsidiary in Dubai, United Arab Emirates with a goal to increase Company's product distribution to new markets, diversify the customer base and to ensure seamless supply chain operations worldwide.

Bhagalaxmi Dairy Farms Private Limited

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

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

Performance highlights of the Subsidiary for FY 2023-24 is given below:

(₹ in Million)			
Sr. No.	Particulars	FY 2023-24	FY 2022-23
1.	Total Revenue	1,161.94	902.83
2.	Profit before Interest, Tax and Depreciation	164.40	(106.17)
3.	Profit after Tax	1.12	(167.03)

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the provisions of Section 129 of the Companies Act, 2013 and the Companies (Accounts) Rules, 2014, the Consolidated Financial Statements of the Company and its Subsidiary has been prepared in the same form and manner as mandated by Schedule III to the Companies Act, 2013 and shall be laid before the forthcoming 32nd Annual General Meeting (AGM) of the Company.

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

CREDIT RATING

The Company was given revised rating once during FY 2023-24 by the Credit Rating Agency, ICRA Limited (ICRA) in the month of May, 2023. ICRA Limited downgraded the credit rating for the credit facilities availed by the Company, for the Long-term Rating to [ICRA] BBB- (Negative) from [ICRA] BBB (Negative) and for Short-term Rating to [ICRA]A3 from [ICRA]A3+ and in case of Non-Convertible Debentures, the rating stood at Long-term Rating of [ICRA]BBB-(Negative) from [ICRA] BBB (Negative), on announcement of Financial Results for quarter and financial year ended March 31, 2023.

BOARD OF DIRECTORS

The Board of the Company is comprised of eminent persons with proven competence and integrity. Besides the experience and their leadership qualities, they have a significant degree of commitment towards the Company and they devote adequate time to the Meetings and its preparation.

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

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

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

Appointment / Re-appointment of Directors:

At the 31st AGM held during FY 2023-24, Mr. Devendra Shah (DIN: 01127319) whose term is liable to retire by rotation, was re-appointed pursuant to provisions of the Companies Act, 2013. Other than this, no appointment / re-appointment of Directors was made during the FY2023-24.

In terms of the provisions of the Companies Act, 2013, Mr. Nikhil Vora (DIN: 05014606), Non-Executive (Non-Independent) Director of the Company, retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. A resolution seeking the re-appointment of Mr. Vora, forms part of the Notice convening the ensuing Annual General Meeting. The profile along with other details of Mr. Vora is provided in the annexure to the Notice of the Annual General Meeting.

Declarations by Independent Directors:

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

Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

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

KEY MANAGERIAL PERSONNEL (KMP)

Pursuant to the provisions of Section 2(51) and Section 203 of the Act read with Rules framed thereunder, the following are the Key Managerial Personnel of the Company as on March 31, 2024:

1.	Mr. Devendra Shah	- Chairman & Whole Time Director
2.	Mr. Pritam Shah	- Managing Director & Interim Chief Financial Officer (CFO)
3.	Ms. Akshali Shah	- Executive Director
4.	Mr. Virendra Varma	- Company Secretary (CS) & Compliance Officer

Mr. Pritam Shah was provided with added responsibility of the office of Interim Chief Financial Officer and consequently his designation changed to Managing Director & Interim Chief Financial Officer w.e.f. April 29, 2023. In view of change in designation of Mr. Pritam Shah as Managing Director (MD) & Interim CFO, Mr. Surendra Malaviya was released from the office of Interim Chief Financial Officer w.e.f. April 28, 2023.

MEETINGS OF THE BOARD OF DIRECTORS AND ITS COMMITTEES

The Board of Directors of the Company met four (4) times during the FY 2023-24. The details of composition of the Board and its Committees, their Meetings held during the FY 2023-24 and the attendance of the Directors / Committee Members at the respective Meetings are elaborated in the Corporate Governance Report, which forms part of the Annual Report.

During the financial year under review, the Board accepted all the recommendations made by the Audit Committee. The Board evaluates the recommendations made by the Audit Committee and seeks further information as they may require. There were no instances where the Board has not accepted any recommendation from the Audit Committee.

Committees of the Board

The Board of Directors has the following Committees as on March 31, 2024:

- (1) Audit Committee
- (2) Nomination and Remuneration Committee (NRC)
- (3) Stakeholders' Relationship Committee (SRC)

- (4) Corporate Social Responsibility Committee (CSR)
- (5) Risk Management Committee (RMC)
- (6) Finance Committee
- (7) Management Committee

During the financial year under review, the Board at its Meeting held on August 5, 2023 constituted Management Committee comprising of following Directors of the Company:

- (1) Ms. Akshali Shah – Executive Director (Chairperson);
- (2) Mr. Devendra Shah – Executive Director (Member); and
- (3) Mr. Pritam Shah, Managing Director & Interim CFO (Member).

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

BOARD EVALUATION

The Company believes in value for its shareholders through ethical processes & integrity. The purpose of Board feedback is to identify opportunities for enhancing the effectiveness of the Board as a whole. The Evaluation Policy and Criteria is duly approved by NRC. This process at the Company is conducted through structured questionnaires which covers various aspects of the Board's functioning prepared after circulating the draft forms, covering various aspects such as structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board processes, among others.

Evaluation plays a very important role in ensuring that the Company's progress is monitored and timely inputs are given to enhance its performance and set the right direction for profitable growth fully complying with relevant regulatory requirements.

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

The performance of the Executive Chairman was evaluated after seeking the inputs from all the Directors other than the Chairman on the basis of the criteria such

as Chairman competency, value addition, leadership qualities, ease of communication, risk handling & mitigation, stakeholder relationship, personal attributes etc.

In terms of the requirements of the Act, a separate Meeting of the Independent Directors was held during the year. The Independent Directors at their Meeting held on March 21, 2024 reviewed the performance of the Chairman, Non-Independent Directors of the Company and overall performance of the Board and Committees as mandated by Schedule IV of the Act and Listing Regulations.

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

Familiarisation Programme for Independent Directors

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

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

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

The Board of Directors has formulated a Nomination and Remuneration Policy in terms of the provisions of sub-section (3) of Section 178 of the Act and Regulation 19 of the Listing Regulations dealing with appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

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

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

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors including the audit of internal financial controls over financial reporting by the Statutory Auditors and the reviews performed by the Management and the relevant Board Committees including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and operating effectively during the FY 2023-24.

Pursuant to the requirements under Section 134(3) (c) of the Companies Act, 2013, with respect to the Director's Responsibility Statements, your Directors make the following statements:

- a) that in the preparation of the annual financial statements for the Financial Year ended March 31, 2024, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for the Financial Year ended March 31, 2024;
- c) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the directors had prepared the annual financial statements for the Financial Year ended March 31, 2024 on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively; and
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

DISCLOSURE REGARDING ISSUE OF EMPLOYEE STOCK OPTIONS

The Board at its Meetings held on April 29, 2023 and August 5, 2023 and further the Members at the Annual General Meeting held on September 27, 2023, approved the followings by passing the required resolutions:

- limiting the maximum number of Employee Stock Options (Stock Options) to be granted per employee in aggregate in any year, which shall not exceed 1,00,000 Stock Options;

- Increase the existing ESOP Pool and Equity Shares under Parag Milk Foods Limited Employee Stock Option Plan 2022 (ESOP 2022) from existing 5,00,000 (Five Lakh) Employee Stock Options to 25,00,000 (Twenty Five Lakh) Employee Stock Options; and
- Grant of Stock Options to the Employees of the subsidiary Company of the Company under 'Parag Milk Foods Limited - Employee Stock Option Plan 2022'.

Further, the Nomination and Remuneration Committee of the Company at its Meeting held on February 7, 2024, had approved the grant of 50,000 Stock Options to the eligible employees of the Company pursuant to Parag Milk Foods Limited - Employee Stock Option Plan 2022.

The details of the Stock Options granted under ESOP 2022 and the disclosures in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (SEBI SBEB Regulations) are annexed as 'Annexure II' to this Report.

INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

The Audit Committee and the Board are of the opinion that the Company has sound Internal Financial Control and it is operating effectively and no material weaknesses exist during the FY 2023-24. The details with respect of internal financial control and their adequacy are elaborated in the Management Discussion and Analysis, which forms part of the Annual Report.

RISK MANAGEMENT GOVERNANCE

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

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

The Company has ensured the development and implementation of a risk management policy for identification of elements of various risks within and outside the organization, if any, which in the opinion of the Board may threaten the existence of the Company and for the effective mitigation of risk.

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

During the year under review, the Company has appointed M/s. Deloitte Touche Tohmatsu India LLP (Deloitte), Internal Auditors of the Company, for Enterprise Risk Management (ERM) on the terms and conditions as per the Engagement Letter executed with them.

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

The key activities which would be covered by Deloitte during ERM is to develop ERM Framework and Policy, Risk Identification, Assessment and Prioritization, Risk Response Planning and Training & Capability Development.

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

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has a robust vigil mechanism in place in the form of Code of Conduct (COC) which enables its stakeholders to report concerns about unethical or inappropriate behaviour, actual or suspected fraud, leak of unpublished price sensitive information, unfair or unethical actions or any other violation of the COC.

The Company has adopted a 'Whistle-Blower Policy' / 'Vigil Mechanism' for Directors and Employees of the Company. The vigil mechanism of the Company provides for adequate safeguards against victimization of directors, employees and third parties who avail the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The provisions of this policy are in line with the

provisions of Section 177 (9) of the Act and the SEBI Listing Regulations.

The Company did not receive any complaints from the employees regarding violation of Code of Conduct or other matters whatsoever.

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

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

RELATED PARTY TRANSACTIONS

During the year under review i.e. 2023-24, all Transactions that were entered into with the related parties were in ordinary course of business and at arms' length basis with prior Audit Committee approval. Therefore, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Companies Act w.r.t. contracts or arrangements with related parties under Section 188(1) in Form AOC-2 is not applicable to the Company for the FY 2023- 24 and hence, the same is not provided. The details of the transactions with related parties during FY 2023-24 are provided in the accompanying financial statements. There were no materially significant related party transactions entered into by the Company with the promoters, key management personnel or other designated persons that may have potential conflict with the interests of the Company at large.

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

In line with the requirements of the Act and the Listing Regulations, the Company has formulated a Policy

on Related Party Transactions and the same can be accessed on the Company's website at <https://www.paragmilkfoods.com/policy.php?id=40>.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

The loans given, investments made and guarantees given & securities provided during the year under review are in compliance with the provisions of Section 186 of the Companies Act, 2013 and the Rules made thereunder and the details of the same are provided in the Notes to the Standalone Financial Statements, which forms part of the Annual Report.

BUY BACK

The Company has not bought back any of its securities during the Financial Year ended March 31, 2024.

DEPOSITS FROM PUBLIC

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

No amount on account of principal or interest on deposits from the public was outstanding as on March 31, 2024.

PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

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

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

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

In terms of Regulation 34 of SEBI Listing Regulations, a separate section on Management Discussion and Analysis, Business Responsibility & Sustainability Report and Corporate Governance Report together with a certificate from a Practicing Company Secretary

confirming compliance with the Regulations relating to Corporate Governance of Listing Regulations are set out and forms part of the Annual Report.

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

The Company is continuously making efforts to reduce and optimize the energy consumption at its manufacturing facilities/ offices all over India. Particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo as required to be disclosed under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are provided in the prescribed format and are annexed as 'Annexure IV' and forms an integral part of this Report.

ANNUAL RETURN

Pursuant to Section 134(3)(a) of the Act, the Annual Return of the Company prepared as per Section 92(3) of the Act for the financial year ended March 31, 2024, is available on the Company's website and can be accessed under 'Annual General Meeting' tab at <https://www.paragmilkfoods.com/investors.php>.

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

PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

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

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

AUDITORS

• Statutory Auditors

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

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

The Auditor's Report for the financial year ended March 31, 2024 on the financial statements of the Company forms part of the Annual Report. The said report was issued by the Statutory Auditor with an unmodified opinion and does not contain any qualification, reservation, adverse remark or disclaimer. During the year under review, the Auditors have not reported any fraud under Section 143(12) of the Act and therefore no details are required to be disclosed under Section 134(3)(ca) of the Act.

• Internal Auditors

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

At the beginning of each Financial Year, an audit plan is rolled out after approval of the Audit Committee. The audit plan is aimed at evaluation of the efficacy and adequacy of internal control systems in the Company and compliance thereof with the same as well as robustness of internal processes, policies

and accounting procedures and compliance with laws and regulations. Based on the reports of Internal Auditors, the functional heads undertake corrective action in their respective areas.

• Cost Auditors

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

Further, as per the requirements of Section 148 of the Act read with Rule 14 of the Companies (Cost Records and Audit) Rules, 2014, the cost records are required to be audited by a qualified Cost Accountant. During FY 2023-24, the Company filed the Cost Audit Report for the FY 2022-23 issued by M/s. Harshad Deshpande & Associates, Cost Accountants, (Firm Registration Number: 00378) with the Ministry of Corporate Affairs on September 1, 2023 which did not contain any qualification, reservation, adverse remark or disclaimer. No frauds were reported by the Cost Auditors to the Company in the said Report under sub-section (12) of Section 143 of the Act. Therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

The Board of Directors, upon the recommendation of the Audit Committee, has re-appointed M/s. Harshad Deshpande & Associates, Cost Accountants, (Firm Registration Number: 00378) to conduct audit of the cost records of the Company for the FY 2024-25. Accordingly, the Board of Directors recommends to the Members the resolution seeking their approval for ratifying the remuneration payable to the Cost Auditors for FY 2024-25, details of this resolution are provided in the Notice of the ensuing Annual General Meeting.

• Secretarial Auditors

The Secretarial Audit Report for FY 2023-24 in Form MR-3 is annexed as 'Annexure VI' and forms an integral part of this Report. The said Secretarial Audit Report does not contain any qualifications, reservations or adverse remarks and no frauds were reported by the Secretarial Auditors to the Company under sub-section (12) of Section 143 of the Act therefore no detail is required to be disclosed under Section 134 (3)(ca) of the Act.

Pursuant to the provisions of Section 204 of the Act and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. N. L. Bhatia & Associates, Practising Company Secretaries (UIN: P1996MH055800), as the Secretarial Auditor of the Company to conduct audit of the secretarial records of the Company for the FY ending March 31, 2025.

COMPARISON OF SHAREHOLDING DATA AS AT THE END OF FY 2023-24 AND PREVIOUS FY 2022-23

The Category wise shareholding of the Company for the FY 2023-24 (From April 1, 2023 to March 31, 2024) is given below for reference of shareholders:

CATEGORY CODE	CATEGORY OF SHAREHOLDER	As on March 31, 2024		As on March 31, 2023		% CHANGE DURING YEAR
		TOTAL NO OF SHARES HELD	% OF TOTAL SHARES	TOTAL NO OF SHARES HELD	% OF TOTAL SHARES	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)
(A)	PROMOTER AND PROMOTER GROUP					
(1)	INDIAN					
(a)	Individual / HUF	50861435	42.61	48861435	41.63	0.98
(b)	Central Government / State Government(s)	0	0.00	0	0.00	0
(c)	Bodies Corporate	0	0.00	0	0.00	0
(d)	Financial Institutions / Banks	0	0.00	0	0.00	0
(e)	Others	0	0.00	0	0.00	0
	Sub-Total A(1):	50861435	42.61	48861435	41.63	0.98
(2)	FOREIGN					
(a)	Individuals (NRIs / Foreign Individuals)	0	0.00	0	0.00	0
(b)	Bodies Corporate	0	0.00	0	0.00	0
(c)	Institutions	0	0.00	0	0.00	0
(d)	Qualified Foreign Investor	0	0.00	0	0.00	0
(e)	Others	0	0.00	0	0.00	0
	Sub-Total A(2):	0	0.00	0	0.00	0
	Total A=A(1)+A(2)	50861435	42.61	48861435	41.63	0.98
(B)	PUBLIC SHAREHOLDING					
(1)	INSTITUTIONS					
(a)	Mutual Funds / UTI / AIFs	10048760	8.42	4504503	3.84	4.58
(b)	Financial Institutions /Banks	0	0.00	0	0.00	0
(c)	Central Government / State Government(s)	0	0.00	0	0.00	0
(d)	Venture Capital Funds	0	0.00	0	0.00	0
(e)	NBFC Registered with RBI	262782	0.22	185250	0.16	0.06
(f)	Foreign Institutional Investors	10682111	8.95	12007842	10.23	(1.28)
(g)	Foreign Venture Capital Investors	0	0.00	0	0.00	0
(h)	Qualified Foreign Investor	0	0.00	0	0.00	0
(i)	Others	0	0.00	0	0.00	0
	Sub-Total B(1):	20993653	17.59	16697595	14.23	3.36
(2)	NON-INSTITUTIONS					
(a)	Bodies Corporate	10520533	8.81	12968039	11.05	(2.24)
(b)	Foreign Corporate Bodies	4199018	3.52	6756756	5.76	(2.24)
(c)	Directors and their relatives (excluding independent directors and nominee directors)	310700	0.26	310700	0.26	0
(d)	Key Managerial Personnel	10	0	10	0	0
(e)	Individuals					
	(i) Individuals holding nominal share capital upto ₹2 lakh	22534392	18.88	17924279	15.27	3.61
	(ii) Individuals holding nominal share capital in excess of ₹2 lakh	7032766	5.89	8964934	7.64	(1.75)

CATEGORY CODE	CATEGORY OF SHAREHOLDER	As on March 31, 2024		As on March 31, 2023		% CHANGE DURING YEAR
		TOTAL NO OF SHARES HELD	% OF TOTAL SHARES	TOTAL NO OF SHARES HELD	% OF TOTAL SHARES	
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)
(f)	Others					
	Clearing Members	1129	0.00	2051683	1.75	(1.75)
	Non-Resident Indians	1014266	0.85	1037740	0.88	(0.03)
	Non-Resident Indians Non-Repatriation	403455	0.34	263591	0.22	0.12
	Trusts	1000	0.00	1000	0	0
	HUF	1327469	1.11	1362064	1.16	(0.05)
(g)	Qualified Foreign Investor	0	0	0	0.00	0
	Sub-Total B(2):	47344738	39.66	51640796	43.99	(4.33)
	Total B=B(1)+B(2):	68338391	57.25	68338391	58.22	(0.97)
(c)	NON PROMOTER NON PUBLIC					
	Employee Benefit Trust	176015	0.14	176015	0.15	(0.01)
	Sub-Total C:	176015	0.14	176015	0.15	(0.01)
	Total (A+B+C)	119375841	100.00	117375841	100.00	0
	GRAND TOTAL (A+B+C):	119375841	100.00	117375841	100.00	0

CHANGE IN THE SHAREHOLDING OF TOP TEN EQUITY SHAREHOLDERS OF THE COMPANY AS ON MARCH 31, 2024:

Shareholders	As on March 31, 2024		As on March 31, 2023		% Change
	Total Shares	% of Holding	Total Shares	% of Holding	
1 Devendra Prakash Shah	20206400	16.93	20206400	17.22	(0.29)
2 Netra Pritam Shah	13867027	11.61	13867027	11.81	(0.20)
3 Pritam Prakash Shah	9159888	7.67	9159888	7.80	(0.13)
4 Sixth Sense India Opportunities III	8167245	6.84	2702702	2.30	4.54
5 AG Dynamic Funds Limited	5433150	4.55	7392250	6.30	(1.75)
6 International Finance Corporation	4199018	3.52	6756756	5.76	(2.24)
7 Peanence Commercial Private Limited	3460981	2.90	0	0	2.90
8 Poojan Devendra Shah	3295000	2.76	3295000	2.80	(0.04)
9 VLS Finance Ltd	2634826	2.21	2010000	1.71	0.50
10 Priti Devendra Shah	2222820	1.86	2222820	1.89	(0.03)

ACKNOWLEDGEMENTS

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

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

For Parag Milk Foods Limited

Sd/-
Devendra Shah
Chairman
DIN: 01127319

Place: Mumbai
Date: May 18, 2024

ANNEXURE – I

Form AOC-1

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

Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures as per the Companies Act, 2013 for the financial year ended March 31, 2024

		(Amount in ₹ Million)
1 Name of the Subsidiary	Bhagalaxmi Dairy Farms Private Limited	
2 The date since when subsidiary was acquired	December 2, 2003	
3 Reporting period for the subsidiary - concerned, if different from the holding company's reporting period	April 1, 2023 to March 31, 2024	
4 Reporting Currency and Exchange rate as on the last date of the relevant - Financial year in the case of foreign subsidiaries	Indian Rupees	
5 Share Capital (₹)	77.9	
6 Reserves & Surplus	848.27	
7 Total Assets	2479.76	
8 Total Liabilities	1553.59	
9 Investments	0.00	
10 Turnover (total revenue including other income)	1161.94	
11 Profit / (Loss) before Taxation	44.73	
12 Tax Expense / (Benefit)	43.61	
13 Profit / (Loss) after Taxation	1.12	
14 Other Comprehensive Income	-0.11	
15 Total Comprehensive Income	1.01	
16 Proposed Dividend	Nil	
17 % of shareholding	100.00%	

NOTE:

- The Company does not have any Associate/ Joint Venture Company.

For **Parag Milk Foods Limited**

Sd/-

Devendra Shah

Chairman

DIN: 01127319

Place: Mumbai

Date: May 18, 2024

ANNEXURE – II

Details of Employee Stock Option Scheme under Section 62 of the Companies Act, 2013 read with rule 12(9) of Companies (Share Capital and Debenture) Rules, 2014 and Regulation 14 Part F of Schedule – I of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2021

All the relevant details of the Company's Employee Stock Option Plan are provided below and are also available on website of the Company and it can be accessed under 'Annual and Compliance Report' Tab at <https://www.paragmilkfoods.com/investors.php>.

A. Relevant disclosures in terms of the accounting standards prescribed by the Central Government in terms of section 133 of the Companies Act, 2013 (18 of 2013) including the 'Guidance note on accounting for employee share-based payments' issued in that regard from time to time:

Refer Note No. 44 forming part of the Standalone Financial Statements and Note No. 49 of the Consolidated Financial Statements. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 102 – Share Based Payments.

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 Central Government or any other relevant accounting standards as issued from time to time:

Refer Note No. 42 forming part of the Standalone Financial Statements and Note No. 46 of the Consolidated Financial Statements. Please note that the said disclosure is provided in accordance with Indian Accounting Standards (Ind AS) 33 – Earnings per share.

C. Details related to ESOS

- (i) A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including –

Sr. No.	Particulars	ESOP 2022
a)	Date of shareholders' approval	September 30, 2022
b)	Total number of options approved under ESOS	25,00,000 stock options convertible into 25,00,000 shares of face value of ₹10/- each.
c)	Vesting requirements	Stock Options would vest not earlier than minimum Vesting Period of 1 year and not later than maximum Vesting Period of 5 years from the date of grant of such Stock Options.
d)	Exercise price or pricing formula	Nomination and Remuneration Committee to determine the Exercise Price on each grant to the Option Grantees subject to the Exercise Price being not less than Face Value of Shares of the Company.
e)	Maximum term of options granted	The Vested ESOP shall be exercised by the Grantee within the maximum exercise period of 5 years from the date of last vesting of Stock Options, or such other shorter period as may be prescribed by the Committee at time of Grant and as set out in the letter of Grant.

f) Source of shares (primary, secondary or combination)	Primary
g) Variation in terms of options	<p>The Members at their Meeting held on September 30, 2022 approved the following variations:-</p> <ul style="list-style-type: none"> Total 5,00,000 shares shall be available under ESOP 2022, out of which 3,23,985 Shares shall be sourced from primary issue to the Trust from the Company and 176,015 Shares through the existing irrevocable employee welfare Trust of the Company, consequently the ESOP 2015 has been discontinued. The Members at the Annual General Meeting held on September 27, 2023 approved the following variations:- limit the maximum number of Options to be granted per employee and in aggregate in any year shall not exceed 1,00,000 stock options; Increase the existing ESOP Pool and Equity Shares under Parag Milk Foods Limited Employee Stock Option Plan 2022 from existing 5,00,000 (Five Lakh) Employee Stock Options to 25,00,000 (Twenty Five Lakh) Employee Stock Options; and To extend the benefits of Parag Milk Foods Limited Employee Stock Option Plan 2022 to the Employees of the subsidiary Company of the Company under 'Parag Milk Foods Limited - Employee Stock Option Plan 2022'.
ii) Method used to account for ESOS	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. The impact of this difference on profits and on EPS of the company.	Not Applicable during the FY
iv) Option movement during the year (For each ESOS):	
	ESOP 2022
Particulars	
Number of options outstanding at the beginning of the period	25,00,000
Number of options granted during the year	50,000
Number of options forfeited / lapsed during the year	Nil
Number of options vested during the year	Nil
Number of options exercised during the year	Nil
Number of shares arising as a result of exercise of options	Nil
Money realized by exercise of options (₹), if scheme is implemented directly by the company	Nil
Loan repaid by the Trust during the year from exercise price received	Nil
Number of options outstanding at the end of the year	25,00,000
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 – Weighted-average exercise price and weighted-average fair values is Rs. 10 and Rs. 207.70 respectively as per the Black Scholes Valuation Methodology for 50,000 Employee Stock Options granted by Nomination and Remuneration Committee in its Meeting held on February 7, 2024.

(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 as defined under Regulation 16(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of employee	Designation	Number of options granted during the year	Exercise price
Mr. Rahul Srivastava	Chief Operating Officer	20,000	₹10
Mr. Binod Das	President - Sales	10,000	₹10

(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:

Name of employee	Designation	Number of options granted during the year	Exercise price
Mr. Ajay Singh	President - Sales (Fresh Division)	10,000	₹10
Mr. Sumit Jain	President - Finance	10,000	₹10

(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: None.

(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;
- (b) the method used and the assumptions made to incorporate the effects of expected early exercise;
- (c) how expected volatility was determined, including an explanation of the extent to which expected volatility was based on historical volatility; and
- (d) whether and how any other features of the options granted were incorporated into the measurement of fair value, such as a market condition.

Fair Value of 50,000 stock options granted during the year was calculated using the Black Scholes Model. The key assumptions used for calculating the option fair value are as follows:

- **Markets are efficient:** This assumption suggests that people cannot consistently predict the direction of the market or an individual stock. The Black-Scholes model assumes stocks move in a manner referred to as a random walk. Random walk means that at any given moment in time, the price of the underlying stock can go up or down with the same probability. The price of a stock in time t+1 is independent of the price in time.
- **Interest rates remain constant and known:** The Black-Scholes model uses the risk-free rate to represent this constant and known rate.
- **Returns are normally distributed:** This assumption suggests returns on the underlying stock are normally distributed.

- **Constant volatility:** The most significant assumption is that volatility, a measure of how much a stock can be expected to move in the near term, is constant over time. While volatility can be relatively constant in the very short term, it is never constant in the longer term. Some advanced option valuation models substitute Black-Scholes constant volatility with stochastic-process generated estimates.
- **Liquidity:** The Black-Scholes model assumes that markets are perfectly liquid, and it is possible to purchase or sell any amount of stock or options or their fractions at any given time.

The variables used for calculating the fair value and their Rationale are as follows:-

- **Stock price:** The Closing Market Price of the previous trading day of the grant date available at the National Stock Exchange of India Ltd ("NSE") i.e., Market Price as on February 6, 2024 i.e., ₹207.70/-.
- **Exercise price:** Exercise price per option is ₹10.00/-.
- **Time to Maturity/Exercise Period:** This is the period for which the Company expects the options to be alive. As per the Employee Stock Option Plan and Grant Letter, Options shall be exercised 5 years from the date of last Vesting of the Stock Options.
- **Historical Volatility:** This is a measure of the amount by which a price has fluctuated or is expected to fluctuate during the period. The measure volatility is used in the Black Scholes option- pricing model is the annualized standard deviation of the continuously compounded rate of the return of the stock over a period.

The period to be considered for volatility has to be adequate to represent a consistent trend in the price movements and the movement due to abnormal events if any gets evened out. No research demonstrates conclusively how long the historical period used to estimate expected long-term future volatility should be. However, informal tests and preliminary research tend to confirm that estimates of expected future long-term volatility should be based on historical volatility for a period that approximates the expected life of the options being valued.

- **Risk-Free Rate:** The Risk-free rate being considered for the calculation is the interest rate applicable for a maturity equal to the expected life of the Stock Options based on the zero-coupon yield curve for Government Securities or Government bonds for respective vests separately taking into consideration the expected life of Stock Options.
- **Dividend Yield:** The dividend yield for the year is derived by dividing the dividend for the period by the current market price. The Company has a dividend track record in the past 5 consecutive financial years.
- **Expected Life of Options:** It is an average of the Minimum life (which is the period during which an employee has the right to apply for the shares of the Company under the Stock Options to be granted to them also known as the vesting period, calculated as a time difference between Grant date and Vesting date) and Maximum life (which is the total period available with an employee to exercise Stock Options, after the lapse of which no right shall accrue to the employee), expected life of Stock Options has been calculated as an average of Minimum life and Maximum life.
- **Disclosures in respect of grants made in three years prior to IPO under each ESOS:** Until all options granted in the three years prior to the IPO have been exercised or have lapsed, disclosures of the information specified above in respect of such options shall also be made. – Not applicable for any schemes during the FY 2023-24.

A. Details related to Trust

The following details, inter alia, in connection with transactions made by the Trust meant for the purpose of administering the schemes under the regulations are to be disclosed:

(i) General information on all schemes

Sr. No.	Particulars	Details
1.	Name of the Trust	Parag Milk Foods Employees Stock Option Trust
2.	Details of the Trustee(s)	Mr. Sachin Rasiklal Shah - Trustee Mr. Sanjay Nakra - Trustee Mr. Sanjay Mishra - Trustee
3.	Amount of loan disbursed by company / any company in the group, during the year	Nil
4.	Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year	Nil
5.	Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee	Nil
6.	Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in shares by the Trust:

- (a) Number of shares held at the beginning of the year: 1,76,015 (One Lakh Seventy-Six Thousand and Fifteen) Shares
- (b) Number of shares acquired during the year through
 - (i) primary issuance: Nil
 - (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share: Not applicable
- (c) Number of shares transferred to the employees / sold along with the purpose thereof: Nil
- (d) Number of shares held at the end of the year: 176,015 (One Lakh Seventy-Six Thousand and Fifteen) Shares

(iii) In case of secondary acquisition of shares by the Trust: Not applicable

For **Parag Milk Foods Limited**

Sd/-

Devendra Shah
Chairman

DIN: 01127319

Place: Mumbai

Date: May 18, 2024

CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

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

1. Brief outline on CSR Policy of the Company

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

The Board of Directors at its Meeting held on June 12, 2021 approved the alteration and amendment of the CSR Policy pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Rule 5 of Companies (Corporate Social Responsibility Policy) Rules, 2014, (as amended).

In line with the guidelines given under Schedule VII of the Companies Act, 2013, the CSR Committee has identified activities primarily in four major areas viz Affordable Housing, COVID Expenditure, Primary Education and Animal Welfare, around which your Company focuses its CSR initiatives and channelizing the resources in a sustained manner.

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

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

The four pillars of CSR are as follows:

- a) **Sustainability** - To ensure that the long-term business goals are aligned with sustainable development without compromising on economic, environmental and social factor.
- b) **Gender Diversity** - To have a high performing inclusive work culture and commitment to attract and retain capable talent maintaining gender sensitivity and healthy balance.
- c) **Employee Volunteering** - To reach out to all employees and drive the volunteering programs of the Company through collective social responsibility and strong individual commitment.
- d) **Community Outreach Programs** - To ensure the communities where the company operates should also benefit equally.

2. Composition of CSR Committee

Sr. No.	Name of Director / Member	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.	Ms. Radhika Dudhat	Chairperson -Independent Director	1	1
2.	Mr. Devendra Shah	Member - Executive Director	1	1
3.	Mr. Narendra Ambwani	Member - Independent Director	1	1
4.	Ms. Akshali Shah	Member - Executive Director	1	1

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

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

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

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

4. 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 profit of the company as per sub-section (5) of section 135: ₹(1,238.3) Million
(b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹(24.76) Million
(c) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years: Nil
(d) Amount required to be set-off for the financial year, if any: Nil
(e) Total CSR obligation for the financial year [(b)+(c)-(d)]: Nil

6.

- (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹6.10 Million
(b) Amount spent in Administrative overheads: Nil
(c) Amount spent on Impact Assessment, if applicable: Nil
(d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹6.10 Million
(e) CSR amount spent or unspent for the Financial Year: Nil
(f) Excess amount for set-off, if any: Nil

Sr. No	Particular	Amount (in ₹ Million)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	(24.76)
(ii)	Total amount spent for the Financial Year	6.10
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	6.10
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any.	8.39
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	14.49*

*Despite of not being under obligation for CSR, the Company spent a total amount of Rs. 14.49 Million in the current as well as previous financial years. However, the Company does not propose to claim any set off for the same.

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

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount Spent in the Financial Year (in ₹)	Amount transferred to a Fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of Transfer		
1.	2022-23	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
2.	2021-22	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
3.	2020-21	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

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

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

Sd/-

Devendra Shah
Chairman of the Company

DIN: 01127319

Sd/-

Radhika Dudhat
Chairperson of CSR Committee

DIN: 00016712

Place: Mumbai

Date: May 18, 2024

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

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

A. CONSERVATION OF ENERGY

Total consumption during the financial year 2023-24, is provided under principle 6 of Business Responsibility and Sustainability Report, which forms part of the Annual Report.

B. STEPS TAKEN DURING THE YEAR FOR ENERGY CONSERVATION

During the Financial Year 2023-24, the following steps were undertaken by the Company at its primary plant at Manchar which resulted in saving in energy consumption as follows:

1. Synchronization of a 1.3 MW turbine has been done with the grid power for smooth operation and prevention of steam loss in turbine operation.
2. Installed an energy-efficient Milk processing line in the new milk process, including a Milk Pasteurizer, Separator and Clarifier.
3. 1200 KVAR APFC Panel installed to maintain Power Factor.
4. Energy-efficient street lights installed, using 80-Watt LED bulbs instead of 250-Watt lights, totaling 15 units.
5. Variable frequency drive installed at the Milk clarifier.
6. Condensate path at the radiator changed to reduce the temperature of the condensate.
7. Automated CBM installed at the ghee section.
8. Partial injection of solar power initiated, with a capacity of 4.5 MVA.

C. RESEARCH AND DEVELOPMENT (R&D)

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

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

New Products Launched

1. **Gowardhan Brand:**
 - We have launched traditional sweets in MAP packing in 250g SKUs, such as Malai Pedha, Kesar Pedha, Kaju Katli, Motichur Ladoo, Mysore Pak, Mawa Gujiya and Kaju-Pista Roll.
 - We have re-launched Gulabjam (ghee based) and Rasgulla in tins of 500g.
2. **Avvatar Brand:** We have launched Go Protein Powder.
3. **Go Brand:** We have launched Cream Cheese, which is a soft, neutral-tasting cheese made from cow's milk and cream.

New Product in-process:

- **Gowardhan Brand:**
 1. **Sweets category** – Currently we are in the development stage for Besan Ladoo, Chocolate Katli, Anjeer Katli in MAP format.
 2. **Gowardhan Dahi** – Shelf-life extension studies going on for shelf life of 40 days.

- **Go Brand:**

1. **IQF Frozen Vegetable/Cheese/Paneer based products** preserved at -18°C. The list of products for the first phase launch includes: Paneer Patty, Mozzarella Cheese Sticks, Pizza Pockets, Batata Vada, Jalapeno Paneer Popcorns, Paneer Sticks, Mix Veg Momos, Cheese Corn Momos, Paneer Momos, French Fries etc. Currently at Supply Chain Development stage for frozen after approving first cut sensory of product samples/varieties.

- **Avvatar Brand:**

1. Working on **Whey-based products**: 100% Performance Whey (in 8 Flavors), Whey Protein Cold Coffee, Whey Protein Butterscotch, Mass Gainer Cold Coffee, Mass Gainer Malai Kulfi, Mass Gainer Butterscotch, Muscle Gainer Cold Coffee and Muscle Gainer Malai Kulfi.
2. Developed **Health /Protein bar's** with protein % of 20 or more – under shelf life study stage.

- **Pride of Cows:**

1. We are in the launching stage for **Whole Milk Powder**, which is a single-source product with the goodness of POC milk.
2. Developed **Colostrum Freeze dried capsules/chewable tablets** under Nutraceutical product category. It is under process optimisation stage.
3. **Fruit Yogurt** – Innovative cultured fruit yogurt developed in various fruit pieces/pulp under review / feedback stage from marketing.
4. **Processed Cheese** developed for trial and feedback from marketing.
5. **Wheel Cheese** developed awaiting further feedback from marketing.

- **Institutional products** – Cultured Dahi for institutional sale.

- **Dulce de Leche** – Innovative Energy and tasty spread based on Milk /culture.

- **Premixes** – Tea/Coffee/Milk and other premixes for B to B and B to C concepts development stage.

Process Improvements and Training:

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

D. FOREIGN EXCHANGE EARNINGS AND OUTGO

Following are the details of the foreign exchange earned and used during the Financial Year 2023-24

Particulars	(₹ in Million)	
	FY 2023-24	FY 2022-23
Foreign exchange earned	83.68	306.29
Foreign exchange used	5.61	58.94

E. TECHNOLOGY ABSORPTION

1. Installation of an ESP at the 22 TPH Boiler to minimize stack emissions.
2. Installation of a Bag House at Powder Plant No-2 to minimize stack losses.
3. Automation to be implemented in Powder Plant-3 to enhance throughput, efficiency in terms of energy consumption and product quality.
4. VFD to be installed at the 500 TR Carrier Chiller for energy savings.
5. Automation and optimization of the ghee packaging system aimed at improving productivity and reducing manual handling of manpower.
6. Continuous butter melter installation in the ghee manufacturing unit resulting in improved efficiency, consistent quality, increase of production capacity and streamlined processing.
7. Contract demand from Solar Power to be increased to 8.4 MVA.

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

Sr. No.	Disclosure Requirement	Disclosure Details			
1.	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24.	Name of the Directors	Category	Ratio (In x times)	No. of ESOPs granted during FY 2023-24
		Mr. Devendra Shah	Executive Chairman- Whole time Director	107.75	N. A.
		Mr. Pritam Shah	Managing Director & Interim Chief Financial Officer	107.75	N. A.
		Ms. Akshali Shah	Executive Director	60.88	N. A.
		Mr. Dnyanesh Darshane	Independent Director	10.63	N. A.
		Mr. Narendra Ambwani	Independent Director	10.63	N. A.
		Mr. Nitin Dhavalikar	Independent Director	11.88	N. A.
		Ms. Radhika Dudhat	Independent Director	11.25	N. A.
		Mr. Nikhil Vora	Non-Executive Director	-	-
				a. The median remuneration of all the employees of the Company was ₹0.32 Million per annum.	
		b. The aforesaid details are calculated on the basis of remuneration for the financial year 2023-24 and include commission and sitting fees paid to Directors during the financial year.			
		c. The remuneration paid to Directors is within the overall limits approved by the shareholders of the Company.			
		d. Figures have been rounded off wherever necessary.			
2.	The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2023-24.	Name of the Directors/ CFO and CS	Category	% Increase in remuneration	
		Mr. Devendra Shah	Executive Chairman - Whole Time Director	43.67	
		Mr. Pritam Shah	Managing Director & Interim Chief Financial Officer	43.67	
		Ms. Akshali Shah	Executive Director	N.A.*	
		Mr. Dnyanesh Darshane	Independent Director	N.A.*	
		Mr. Narendra Ambwani	Independent Director	142.86	
		Mr. Nitin Dhavalikar	Independent Director	72.73	
		Ms. Radhika Dudhat	Independent Director	200.00	
		Mr. Nikhil Vora	Non-Executive Director	-	
		Mr. Surendra Malaviya	Interim Chief Financial Officer (upto April 28, 2023)	N.A.	
Mr. Virendra Varma	Company Secretary & Compliance Officer	N.A.*			
*Percentage increase/decrease in remuneration is not reported as they were appointed during the financial year 2022-23.					

3. The percentage increase/decrease in the median remuneration of employees in the financial year 2023-24.	The median percentage increase in the median remuneration of employees in the financial year 2023-24 is 14.29%.
4. Number of permanent employees on the rolls of the Company.	There were 1772 permanent employees of Parag Milk Foods Limited as on March 31, 2024.
5. The average percentage increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentage increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	<p>For the employees other than managerial personnel who were in employment in FY 2023-24, the average increase is 14.29%.</p> <p>Average Increase/ Decrease in managerial remuneration is 43.67%.</p> <p>Increase in the managerial remuneration is due to payment of Commission to the Executive Directors (Mr. Devendra Shah and Mr. Pritam Shah) commencing from April 1, 2023 as approved by the Shareholders of the Company in the AGM held on September 27, 2023.</p>
6. The key parameters for any variable component of remuneration availed by the directors.	<p>Pursuant to approval of Shareholders in the AGM held on September 27, 2023, following is the gist of parameters applicable for variable component:</p> <p>(i) Limit for payment of commission to the Independent Directors: Fixed amount of Commission is payable to each Independent Directors subject to limit of 1% per annum of the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act, 2013 w.e.f. FY 2023-24.</p> <p>(ii) Limit for payment of commission to the Executive Directors: Not exceeding 1% (per annum per executive director) of the net profits of the Company computed in the manner referred to in Section 198 of the Companies Act, 2013 subject to the amount not exceeding ₹2 Crore per Director w.e.f. FY 2023-24.</p>
7. Affirmation that the remuneration is as per the Remuneration Policy of the Company.	Yes, it is confirmed.

FORM NO. MR-3**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024**

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

To,

The Members,

Parag Milk Foods Limited

Flat No.1, Plot No.19, Nav Rajasthan Soc.,

Behind Ratna Memorial Hospital, S.B. Road,

Shivaji Nagar, Pune – 411016

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 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, 2018 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 ("FEMA") and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 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 (Listing Obligation and Disclosure Requirement) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - c. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

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

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

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

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

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

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

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

We further report that, during the audit period, the Members at the Annual General Meeting held on September 27, 2023 approved the following by passing resolutions:

- Increase in Authorised Share Capital of the Company from the existing ₹120,00,00,000/- (Rupees One Hundred and Twenty Crores Only) divided into 12,00,00,000 (Twelve Crores) Equity Shares of Face Value of ₹10/- (Rupees Ten only) each to ₹200,00,00,000/- (Rupees Two Hundred Crores Only) divided into 20,00,00,000 (Twenty Crores) Equity Shares of Face Value of ₹10/- (Rupees Ten only)
- Amendments in the 'Parag Milk Foods Limited – Employee Stock Option Scheme 2022 ("ESOP 2022")'.
- Increase the existing ESOP Pool and Equity Shares under Parag Milk Foods Limited Employee Stock Option Plan 2022 ("ESOP 2022") from existing 5,00,000 (Five Lakh) Employee Stock Options to 25,00,000 (Twenty Five Lakh) Employee Stock Options.
- Grant of stock options to the Employees of the subsidiary Company of the Company under

'Parag Milk Foods Limited – Employee Stock Option Plan 2022'.

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

- April 29, 2023, provided additional responsibility of the office of Interim Chief Financial Officer to Mr. Pritam Shah, Managing Director of the Company w.e.f. April 29, 2023 and consequent to that Mr. Surendra Malaviya was released from the office of Interim CFO w.e.f. April 28, 2023.

We further report that, during the audit period, the Company has allotted 20,00,000 equity shares to Ms. Akshali Shah (Member of Promoter group) at a price of ₹93.75/- (including premium of ₹83.75/-) pursuant to the conversion of fully paid up warrants on February 14, 2024.

We further report that, during the audit period, the Company whilst monitoring the PIT software observed repeated case of violation by a Designated Employee of the Company during the period under review. Designated Employee had expressed that he did not have any malafide intention and had no intention to violate the PIT Regulations. The Company imposed a fine of ₹5,000/- on the first instance of violation and ₹25,000/- for the second instance of violation. The fine imposed by the Company along with profit made was deposited with SEBI – Investor Protection Education Fund (IPEF) and intimation of the same would also be given to the stock exchanges.

**For M/s. N L Bhatia & Associates
 Practising Company Secretaries**

UIN: P1996MH055800

PR No.: 700/2020

Sd/-

Bharat Upadhyay

Partner

FCS No. 5436

COP No. 4457

UDIN: FO05436EO00679087

Date: May 18, 2024

Place: Mumbai

Laws specifically applicable to the Company

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

Annexure - VI

To,
The Members,
Parag Milk Foods Limited
Flat No.1, Plot No.19, Nav Rajasthan Soc.,
Behind Ratna Memorial Hospital, S.B. Road,
Shivaji Nagar, Pune – 411016

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

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

**For M/s. N L Bhatia & Associates
Practising Company Secretaries**

UIN: P1996MH055800

PR No.: 700/2020

sd/-

**Bharat Upadhyay
Partner**

FCS No. 5436

COP No. 4457

UDIN: F005436E000679087

Date: May 18, 2024

Place: Mumbai

CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is the framework by which business corporations are managed and regulated. The corporate governance framework delineates the allocation of rights and duties among various parties in the corporation, including the board, managers, shareholders and other stakeholders and outlines the regulations and processes for decision-making in corporate matters. By doing so, it also establishes the framework through which the Company's goals are defined and the methods for achieving these goals and evaluating performance are determined. At Parag Milk Foods Limited (Company or Parag), strong corporate governance is a core principle and guides our business conduct, infusing all our daily operations and is deeply embedded in our working practices.

The Company is focused on enhancement of long-term value creation for all stakeholders without compromising on integrity, societal obligations, environment and regulatory compliances. Our actions are governed by our values and principles, which are reinforced at all levels of the organisation. These principles have served and will persist as our directional beacon going forward.

For your Company, good corporate governance is a synonym for sound management, transparency and adequate disclosure, encompassing good corporate practices, procedures, standards and implicit rules which propel a company to take sound decisions.

As a Company with a strong sense of values and commitment, we believe that profitability must go hand in hand with a sense of responsibility towards all stakeholders. This is an integral part of our business philosophy. The cardinal principles such as independence, accountability, responsibility, transparency and disclosure serve as means for implementing the philosophy of Corporate Governance.

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

supervises business tactics and guarantees financial responsibility, ethical corporate conduct and equity to all stakeholders, including regulators, employees, customers, suppliers, investors and the broader community.

The Company has always been committed to the principles of good corporate governance. In addition to compliance with regulatory requirements, the Company also endeavors to ensure that highest standards of ethical and responsible conduct are maintained throughout the organization.

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

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

2. BOARD OF DIRECTORS

a. COMPOSITION

The Company recognizes the importance of a diverse Board for its optimal performance. The Board of Directors of the Company (Board) consists of members possessing a range of skills, experience and expertise. As on March 31, 2024, the Board comprised of eight Directors, with four Non-Executive Independent Directors including one Independent Woman Director, One Non-Executive Non-Independent Director and three Executive Directors including Chairman, Managing Director one Woman Executive Director.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act 2013 (Act). Necessary disclosures regarding Committee positions in other public companies as on March 31, 2024 have been received from the Directors.

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

These guidelines aim to streamline the decision-making process at the meetings of the Board and its

Committees in an informed and effective manner. Additionally, the Board of Directors of the Company is fully dedicated to the best practices for effective Corporate Governance.

b. BOARD MEETINGS

During the financial year (FY), four meetings of the Board of Directors were held on April 29, 2023, August 5, 2023, November 9, 2023 and February 7, 2024. To ensure well- informed decision-making, the agenda and related documents were distributed to the Directors in advance.

Necessary quorum was present for all the meetings. The time gap between any two meetings was not exceeding one hundred and twenty days. The Board strives to meet at least once a quarter to review the quarterly financial results and other items on the agenda.

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

The 31st Annual General Meeting (AGM) of the Company was held on September 27, 2023 by Video Conferencing (VC) / Other Audio Visual Means (AOVM) and through e-voting system of the National Securities Depository Limited (NSDL).

The composition of the Board, Nature of Directorship of the Board Members and their Directorship in other public companies as on March 31, 2024, along with their attendance at the AGM held on September 27, 2023 and Board Meetings held during the FY 2023-24 are as under:

Name of the Director	Category	Number of Board Meetings attended during FY 2023-24	Whether attended last AGM held on September 27, 2023 (Yes/No)	Number of Directorships in other Public Companies	Number of Committee positions held in other Public Companies*	
					Chairperson	Member
Mr. Devendra Shah (DIN: 01127319)	Executive Chairman - Whole-Time Director (WTD) (Promoter)	4	Yes	Nil	Nil	Nil
Mr. Pritam Shah (DIN: 01127247)	Managing Director (Promoter)	4	Yes	Nil	Nil	Nil
Ms. Akshali Shah (DIN: 06575079)	Executive Director (Promoter Group)	4	Yes	Nil	Nil	Nil
Mr. Narendra Ambwani (DIN: 00236658)	Independent Director	4	No	3	4	1
Mr. Nitin Dhavalikar (DIN: 07239870)	Independent Director	4	Yes	Nil	Nil	Nil
Ms. Radhika Dudhat (DIN: 00016712)	Independent Director	4	Yes	4	4	1
Mr. Dnyanesh Darshane (DIN: 08515431)	Independent Director	4	Yes	Nil	Nil	Nil
Mr. Nikhil Vora (DIN: 05014606)	Non-Executive Director	4	Yes	2	1	Nil

*Only Audit Committee and Stakeholder's Relationship Committee positions are considered as per Listing Regulations.

Details of directorships of Board Members in other listed entities and their category of directorship as on March 31, 2024:

Name of the Directors	Name of Listed Entities	Category of Directorship
Mr. Devendra Shah	Nil	Nil
Mr. Pritam Shah	Nil	Nil
Ms. Akshali Shah	Nil	Nil
Mr. Narendra Ambwani	1) Agro Tech Foods Limited	Independent Director
	2) RPG Life Sciences Limited	Independent Director
	3) Banswara Syntex Limited	Independent Director
Mr. Nitin Dhavalikar	Nil	Nil
Ms. Radhika Dudhat	1) Jain Irrigation Systems Limited	Independent Director
	2) Tips Films Limited	Independent Director
	3) Jagsonpal Pharmaceuticals Limited	Independent Director
Mr. Dnyanesh Darshane	Nil	Nil
Mr. Nikhil Vora	1) Hindustan Foods Limited	Non-Independent Non-Executive Director
	2) Bikaji Foods International Limited	Independent Director

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

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

None of the Directors on the Board:

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

a. DISCLOSURE OF RELATIONSHIP BETWEEN DIRECTORS INTER-SE

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

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

b. DISCLOSURE OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Details of equity shares of the Company held by the Non-Executive Directors as on March 31, 2024 are given below:

Name of Director	Category	Number of Equity Shares
Mr. Nikhil Vora	Non - Executive Director	3,10,700
Mr. Narendra Ambwani	Independent Director	4,500
Mr. Nitin Dhavalikar	Independent Director	NIL
Ms. Radhika Dudhat	Independent Director	NIL
Mr. Dnyanesh Darshane	Independent Director	NIL

None of the Independent Directors holds any equity shares or convertible instruments of the Company during the financial year ended March 31, 2024 except Mr. Narendra Ambwani.

c. INDUCTION AND FAMILIARISATION PROGRAMMES

The Company has an orientation process/familiarization program for its directors (including Independent Directors), which includes sessions on various business and functional matters and strategy sessions.

The Company ensures induction and training programs are conducted for newly appointed Directors. The induction program is a thorough one that encompasses the history and culture

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

Subsequently, the Independent Directors are provided with essential presentations, documents, reports, internal policies and updates to acquaint them with the Company's business, policies, procedures and practices at various meetings held throughout the year.

As part of the induction program, the Independent Directors also visit the Company's manufacturing sites to gain insight into the Company's operations. Additionally, the Independent Directors are introduced to the organizational structure, Board procedures, matters reserved for the Board and major risks facing the business, as well as risk mitigation programs. The Independent Directors are also made aware of their roles and responsibilities at the time of their appointment and a detailed Letter of Appointment is issued to them.

The details of the familiarization Programs conducted during the year under review are available on the website of the Company at the following web-link: <https://www.paragmilkfoods.com/investors.php> in 'Policies' tab under 'Corporate Governance' section.

d. SUCCESSION PLANNING FOR THE BOARD AND SENIOR MANAGEMENT

The Company has an effective system in place to ensure smooth transitions in leadership, including for our Directors, Executive Directors, Senior Management Team and other essential talents and key roles. Additionally, the Company regularly reviews talent for senior management and other executive officers. This process offers a thorough overview of our leadership-level talent inventory and capabilities, ensuring we meet our critical talent needs in alignment with our business objectives.

e. MATRIX SETTING OUT THE SKILLS / EXPERTISE / COMPETENCIES OF THE BOARD OF DIRECTORS

The Directors on the Board are distinguished industrialists and professionals with expertise in their respective functional areas. They bring with them a reputation for independent judgment and extensive experience, adding significant value to the Company's business. Directors are appointed on the Board on the basis of the skills they possess in addition to their special skills with regards to the industries/ fields they come from.

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

The brief profiles of Directors forming part of this Annual Report gives an insight into the education, expertise, skills and experience, thus bringing in diversity to the Board's perspectives and which could be accessed at <https://www.paragmilkfoods.com/about-us.php>.

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

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

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

Business & Financial Acumen	Demonstrate techno-commercial and business perspective, ability to comprehend, interpret and guide on financial statements, Audit Committee presentations and matters of business and oversee efficient use of resources.
Global Business	With an appreciation of diverse business environments, varied regions, business sectors, economic landscapes, cultural contexts and regulatory frameworks, coupled with a comprehensive outlook on global market opportunities.
Industry Knowledge	Experience in similar industries, grasp the Company's business operations, current strategic initiatives, policies and culture, governance framework, significant risks and challenges, potential opportunities and familiarity with the industry sector in which the Company operates.
Strategy and Planning	Ability to understand, review and guide strategy by analyzing the Company's competitive position and benchmarking taking into account market and industry trends.

Governance	Expertise in establishing governance frameworks, prioritizing stakeholder interests, ensuring board and management accountability, fostering stakeholder relationships, sustainability and promoting corporate ethics and values.
Risk Management	Experience in providing guidance on major risks, compliances and various legislations.
Marketing & Communications	Understanding and experience in marketing and public promotion campaigns, adeptness in collecting consumer expectations and addressing grievances.

Sr. No.		DS	PS	AS	DD	NA	RD	ND	NV
1	Business & Financial Acumen	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Global Business	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
2	Industry Knowledge	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3	Strategy and Planning	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4	Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
5	Risk Management	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
7	Marketing & Communications	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

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

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

3. DIRECTORS' INDEPENDENCE AND DECLARATIONS

All Independent Directors of the Company have certified and confirmed their independence in accordance with Section 149(6) of the Act read with Regulations 16(1)(b) and 25(8) of the Listing Regulations as amended, as on March 31, 2024. Further in terms of the Regulation 25(8), they have confirmed that they are not aware of any circumstances or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

The Board at its meeting held on May 18, 2024, reviewed the declaration of independence submitted by Independent Directors and carried out due assessment of the veracity of the same noting that the Independent Directors of the Company fulfil the conditions specified in the Listing Regulations and are independent of the Management.

Pursuant to Section 164(2) of the Act, all the Directors have provided annual declarations that they are not disqualified to act as Directors in the Company. M/s. N.L. Bhatia & Associates, Practising Company

Secretaries has issued a certificate as required under the Listing Regulations, confirming that none of the Directors on the Board of the Company are debarred or disqualified from being appointed or continuing as directors of the Company by the SEBI / Ministry of Corporate Affairs (MCA) or any such other statutory authority.

The same forms part of this Annual Report.

4. SEPARATE MEETING OF INDEPENDENT DIRECTORS

For the Board to exercise free and fair judgment in all matters related to the functioning of the Company, it is important for the Independent Directors to have meetings without the presence of the executive management. The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives.

At such meeting, the Independent Directors discuss, among other matters, performance of the Company and risks faced by it, flow of information between Board & Management, competition, strategies, strengths and weaknesses, governance, compliances, Board movements, succession planning, human resource matters and performance of the Executive Members of the Board and the Chairman.

In addition to these formal meetings, interactions outside the Board Meetings also take place between the Chairman and Independent Directors.

During the financial year, the Independent Directors met without the presence of the Management. The meeting of Independent Directors was held on March 21, 2024 through Video Conference mode.

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

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

5. AVAILABILITY OF INFORMATION TO BOARD MEMBERS

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

As a process, all Board/ Committee members are given notice along with the agenda along with the Notes to agenda of the meetings in advance. The meetings are governed by a structured agenda. All items in the agenda are supported by detailed background information to enable the Directors to take informed decisions. Minutes of each Board/ Committee meetings are documented. The draft minutes are circulated among all Directors for their comments. The finalized minutes are then recorded in the minutes book.

The Company has an effective mechanism for post meeting follow-up, review and reporting process for the actions taken on decisions of the Board and Committees. The Board periodically reviews the compliance reports to ensure adherence to all applicable provisions of law, rules and guidelines.

During FY 2023-24, information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, has been placed before the Board for its consideration.

6. COMMITTEES OF THE BOARD

During the year, all recommendations of the Committees of the Board which were mandatorily required have been accepted by the Board. Committees of the Board usually meet the day before or same day of the Board meeting, or whenever it becomes necessary to conduct business.

The Chairman of the Board, in consultation with the Company Secretary (CS) and the respective Committee Chairperson, determines the frequency of the committee meetings. The quorum for meetings is the higher of two members or one-third of the total number of members of the Committee.

The Board has established the following statutory and non-statutory Committees: -

a) AUDIT COMMITTEE

The powers, roles and terms of reference of the Audit Committee covers the areas as specified under Section 177 of the Act and Regulation 18 of the Listing Regulations, as applicable, besides other terms as referred by the Board. The powers include investigating any activity within its terms of reference as specified by the Board and seeking information from any employee, obtaining professional advice from external sources, securing attendance of outsiders with relevant expertise, if considered necessary and having full access to information contained in the records of the Company.

Composition, Name of Chairman and Members, Meetings and Attendance during the FY 2023-24

The Audit Committee comprises of total four members with the relevant experience in financial matters. The composition of the Audit Committee complies with the requirements laid down in Section 177 of the Act and Regulation 18 of Listing Regulations.

The Audit Committee meets at least once a quarter. There were four (4) meetings of the Audit Committee during the FY 2023-24 on April 29, 2023, August 5, 2023, November 9, 2023 and February 7, 2024. The gap between two Meetings was not more than 120 days. The requisite quorum was present in all the Meetings.

The meetings of Audit Committee are also attended by the representatives of Statutory Auditors, Internal Auditor and executives from accounts and finance department as special invitees. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board.

Mr. Nitin Dhavalikar, Chairman of the Audit Committee was present at the 31st AGM held on September 27, 2023.

The Composition, Name of the Members, Chairperson, Particulars of Meetings held and attendance of the Members during the FY 2023-24 are as follows:

Sr. No.	Name of the Member	Designation	Category	No. of Meetings during the Tenure	
				Held	Attended
1	Mr. Nitin Dhavalikar	Chairman	Independent Director	4	4
2	Mr. Pritam Shah	Member	Executive Director	4	4
3	Mr. Narendra Ambwani	Member	Independent Director	4	4
4	Mr. Dnyanesh Darshane	Member	Independent Director	4	4

Terms of Reference

The terms of reference and powers of the Audit Committee are those prescribed under Part C of Schedule II of the Listing Regulations as well as Section 177 of the Act.

The role of the audit committee include the followings:

- i. Oversight of the Company's financial reporting process and to ensure that financial statement is correct, sufficient and credible;
- ii. Recommendation for appointment, remuneration and terms of appointment of statutory, internal and cost auditors of the Company;
- iii. Approval of payment to statutory & other auditors for any other services rendered by them;
- iv. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement forming part of Board Report in terms of section 134(3)(c) of the Act;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the financial statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to financial statements;
 - f) Disclosure of any related party transactions; and
 - g) modified opinion(s) in the draft audit report.
- v. Reviewing, with the management, the quarterly financials before submission to the board for approval;
- vi. Reviewing, with the management, the statement of use / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take necessary steps in this matter;
- vii. Reviewing and monitoring the auditor's independence, performance and effectiveness of audit process;
- viii. Approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. Scrutiny of inter - corporate loans and investments;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. Discussion with internal auditors of any significant findings and follow up there on;
- xv. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

- xvi. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post – audit discussion to ascertain any area of concern;
- xvii. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. To review the functioning of the whistle blower mechanism;
- xix. Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Reviewing the utilization of loans and / or advances from / investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower.
- xxi. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholder.
- xxii. Review of following information:
 - (i) management discussion and analysis of financial condition and results of operations;
 - (ii) management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (iii) internal audit reports relating to internal control weaknesses;
 - (iv) the appointment, removal and terms of remuneration of the chief internal auditor; and
 - (v) statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of Listing Regulations.
 - b. annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7) of Listing Regulations.

All members of the Audit Committee are financially literate and having relevant expertise in the fields of Finance, Taxation, Economics, Risk and International Finance. The Committee functions in accordance with its terms of reference that defines its authority, responsibility and reporting function.

The Audit Committee is also responsible for giving guidance and directions under the SEBI (Prohibition

of Insider Trading) Regulations, 2015 and to review the report of the Compliance Officer with the provisions of these regulations at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

The Audit Committee reviews the reports of the auditors including the Internal Auditors; the reports of the Statutory Auditors arising out of the quarterly, half-yearly, and annual audit of the accounts; considers significant financial issues affecting the Company and holds discussions with the Internal and Statutory Auditors and Management during the year.

b) NOMINATION AND REMUNERATION COMMITTEE

The powers, role and terms of reference of the Nomination and Remuneration Committee (NRC) covers the areas as mentioned under Section 178 of the Act and Regulation 19 of Listing Regulations, besides other terms as referred by the Board. The role includes but is not limited to recommending to the Board a policy relating to the remuneration for the directors, key managerial personnel (KMP) and other employees; formulation of criteria for evaluation of Independent Directors and the Board; identification of persons who are qualified to become directors and who may be appointed in senior management and recommending to the Board their appointment, removal and noting of cessation (changes); and recommendation to the Board of all remuneration, in whatever form, payable to Senior Management.

Composition, Name of Chairman and Members, Meetings and Attendance during the FY 2023-24

The NRC comprised of three Directors as on March 31, 2024. The Board at its Meeting held on April 29, 2023 appointed Mr. Narendra Ambwani (Independent Director) as Chairman in place of Mr. Nitin Dhavalikar in view of revision in Fees / Compensation Structure of the Board Members and Mr. Nitin Dhavalikar is continuing as Member of the Committee.

The NRC met three (3) times during the FY 2023-24 on April 29, 2023, August 5, 2023 and February 7, 2024. The requisite quorum was present at the Meetings. The Chairman of NRC was unable to attend the 31st AGM held on September 27, 2023 as he was traveling however, he authorised Mr. Nitin Dhavalikar, Member of NRC, to represent and answer queries of Shareholders.

During the year, the Non-Executive Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any incurred by them for the purpose of attending meetings.

The Company Secretary acts as the Secretary to the Committee.

The Composition, Name of the Members, Chairperson, Particulars of Meetings held during the tenure and attendance of the Members during the FY 2023-24 are mentioned in the table below:

Sr. No.	Name of the Member	Designation	Category	No. of Meetings during the Tenure	
				Held	Attended
1	Mr. Narendra Ambwani*	Chairman	Independent Director	2	2
2	Mr. Devendra Shah	Member	Executive Director	3	3
3	Ms. Radhika Dudhat	Member	Independent Director	3	3
4	Mr. Nitin Dhavalikar#	Member	Independent Director	3	3

*Mr. Narendra Ambwani appointed as the Chairman of the NRC on April 29, 2023.

#Mr. Nitin Dhavalikar recategorized as Member of the NRC w.e.f. April 29, 2023.

Terms of Reference

The terms of reference and powers of the Committee are those prescribed under Part D of Schedule II of the SEBI Listing Regulations as well as Section 178 of the Act.

The Board on the recommendation of the NRC adopted the Remuneration Policy for Directors, KMP and other employees of the Company. The Committee also plays the role of Compensation Committee and is responsible for administering the Stock Option Plan of the Company and determining eligibility of employees for stock options.

The terms of reference of the NRC are:

- Formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, KMP and other employees and formulation of criteria for evaluation of Independent Directors and the Board;
- Evaluating the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director;
- Devising a policy on diversity of board of directors;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- Recommendation of remuneration policy for the Directors, KMP and Senior Management of Company.

Role of the Nomination and Remuneration Committee

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors on the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine elements of remuneration package of the Executive Directors and KMP i.e. salary, benefits, bonuses, stock options, pension etc;
- Formulate criteria and carry out evaluation of performance of each Director individually and the Board as a whole;
- Recommend to the Board, all remunerations, in whatever form, payable to Senior Management.

Apart from the above, the Committee also carries out such functions / responsibilities entrusted on it by the Board from time to time.

Performance Evaluation

The Company has laid down a process for evaluation of the Board and Committees of the Board as well as evaluation of the performance of each of the Directors. A structured questionnaire is prepared after circulating the draft forms, covering various aspects such as structure of the Board, qualifications, experience and competency of Directors, diversity in Board, effectiveness of the Board process, among others.

Independent Directors have three key roles - governance, control and guidance. Some performance indicators, based on which Independent Directors are evaluated, include:

- The ability to contribute to and monitor corporate governance practices;
- The ability to contribute by introducing international best practices to address business challenges and risks;

- Active participation in long-term strategic planning; and
- Commitment to fulfilment of Director's obligations and fiduciary responsibilities; these include participation in Board and Committee Meetings.

Individual Director including the Chairman of the Board were also evaluated on parameters such as level of engagement, contribution, independence of judgement. The performance evaluation of the Independent Directors was carried out by the entire Board on basis of participation of Independent Directors in the meeting(s), raising of concerns to the Board, safeguarding confidentiality of information, rendering of independent decisions, unbiased opinions and timely inputs on the minutes and initiatives in terms of planning and new ideas. The Directors expressed their satisfaction with the evaluation process.

A consolidated summary of the ratings given by each Director was then prepared. The report of performance evaluation was then discussed and noted by the Board.

The performance evaluation of Independent Directors was conducted by the entire Board, and the Directors being assessed did not take part in their own evaluation. As an outcome of the evaluation, it was noted that board as a whole has a composition that is diverse in experience and perspective and fosters healthy discussions. The discussion quality is robust, well intended and leads to clear direction and decision. It should also be noted that the Board Committees function professionally and smoothly and besides the Board

The Composition, Name of the Members, Chairperson, Particulars of Meetings held and attendance of the Members during the FY 2023-24 are as follows:

Sr. No.	Name of the Member	Designation	Category	No. of Meetings during the Tenure	
				Held	Attended
1	Mr. Dnyanesh Darshane*	Chairman	Independent Director	1	1
2	Mr. Devendra Shah	Member	Executive Director	1	1
3	Mr. Pritam Shah	Member	Executive Director	1	1
4	Ms. Akshali Shah	Member	Executive Director	1	1
5	Mr. Nitin Dhavalikar#	Chairman	Independent Director	NA	NA

* Mr. Dnyanesh Darshane was appointed as the Chairman on April 29, 2023.

Mr. Nitin Dhavalikar ceased to be Chairman & Member w.e.f. April 29, 2023.

Committee's terms of reference as mandated by law, important issues are brought up and discussed in the respective Committees.

c) **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders Relationship Committee (SRC) oversees, inter-alia, redresses shareholder and investor grievances, transfer / transmission of shares, non-receipt of annual report or declared dividend, reviewing dematerialization / rematerialization of shares and related matters.

The roles and responsibilities of the SRC are as prescribed under Section 178 of the Act and Regulation 20 of Listing Regulations.

Composition, Name of Chairman and Members, Meetings and Attendance during the FY 2023-24

The Stakeholders Relationship Committee comprised of four (4) members as on March 31, 2024.

The Board at its Meeting held on April 29, 2023 reconstituted the SRC by appointing Mr. Dnyanesh Darshane (Independent Director) as Chairman in place of Mr. Nitin Dhavalikar in view of change in Fees / Compensation Structure of the Board Members and Mr. Dhavalikar ceased to be a part of the Committee consequent to such reconstitution.

During the year, SRC meeting was held once i.e. on March 21, 2024. Mr. Dnyanesh Darshane - Chairman of the Committee was present at the 31st AGM held on September 27, 2023.

The Company Secretary acts as the Secretary to the Committee.

Terms of Reference

The terms of reference mandated by the Board, which is also in line with the statutory and regulatory requirements are:

- i. Resolving the grievances of the security holders of Company including complaints related to transfer / transmission of shares, non-receipt of annual report & declared dividends, issue of new / duplicate certificates, general meetings queries etc.
- ii. Review of measures taken for effective exercise of voting rights by shareholders.
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- iv. Review of various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / annual reports / statutory notices by the shareholders of the Company.

The Committee also oversees the performance of the Registrar and Share Transfer Agent and recommends measures for overall improvement of the quality of investor services as and when need arises.

The Meetings of the Committee are generally held as and when deemed necessary, to review and ensure that all investor requests / grievances are redressed within stipulated time period.

Details of Complaints Received and Redressed during FY 2023-24

During the financial year ended March 31, 2024, twelve (12) complaints were received from shareholders and investors. All the complaints have been resolved to the satisfaction of the shareholders and no investor complaint was pending as on March 31, 2024.

The Company acted upon all valid requests for share transfer and non-receipt of dividend warrants, received during FY 2023-24 and no such transfer is pending. No investor grievances remained unattended / pending for more than thirty days as on March 31, 2024.

Mr. Virendra Varma - Company Secretary of the Company is the Compliance Officer for resolution of Shareholders' complaints.

The Company has an exclusive e-mail ID in place for easy and quick redressal of grievances of shareholders regarding their complaints which is managed by the Secretarial team and Investor Relations team, a team designated specifically for dealing with Investor queries and grievances along with investor presentations.

The number of complaints received and resolved to the satisfaction of shareholders during the year under review and their break-up is as under:

Type of Complaints	Number of Complaints
Non-Receipt of Annual Reports	4
Non-Receipt of Dividend	6
Others	2

The above table also includes Complaints, if any, received from SEBI SCORES by the Company.

Name and Designation of the Compliance Officer

Mr. Virendra Varma, Company Secretary acts as Compliance Officer of the Company in terms of Regulation 6 of the Listing Regulations.

Continuous efforts are made by the Company to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their updated contact number and e-mail address to facilitate prompt response.

d) RISK MANAGEMENT COMMITTEE

The Board has constituted a Risk Management Committee (RMC) in line with the provisions of Regulation 21 of Listing Regulations, which is responsible for providing oversight in achieving the Company's Enterprise Risk Management (ERM) objectives. ERM helps Company's objectives by creating a comprehensive approach to anticipate, identify, prioritize and manage material risks attached to the Company's operations and business. The primary responsibility of RMC is to ensure that sound policies, procedures and practices are in place for industry-wide management of the Company's material risks.

Composition, Name of Chairperson, Members and Meetings and Attendance during the FY 2023-24

The Risk Management Committee of the Company comprised of five (5) members as on March 31, 2024. The Board at its Meeting held on April 29, 2023 appointed Ms. Radhika Dudhat (Independent Director) as Chairperson in place of Mr. Devendra Shah in view of change in Fees / Compensation Structure of the Board Members and have also appointed Ms. Akshali Shah as a Member of the Committee. Mr. Devendra Shah ceased to be a part of the Committee consequent to such re-constitution.

The Company Secretary acts as the Secretary to the Committee.

Two (2) RMC meetings were held during the FY 2023-24 on August 5, 2023 and November 9, 2023 for reviewing the Company level risks and mitigation plans and actions.

The Composition, Name of the Members, Chairperson, Particulars of Meetings held and attendance of the Members during the FY 2023-24 are as follows:

Sr. No.	Name of the Member	Designation	Category	No. of Meetings during the Tenure	
				Held	Attended
1	Ms. Radhika Dudhat*	Chairperson	Independent Director	2	2
2	Mr. Pritam Shah	Member	Executive Director	2	2
3	Mr. Dnyanesh Darshane	Member	Independent Director	2	2
4	Mr. Nitin Dhavalikar	Member	Independent Director	2	2
5	Ms. Akshali Shah*	Member	Executive Director	2	2
6	Mr. Devendra Shah#	Chairman	Executive Director	NA	NA

*Ms. Radhika Dudhat was appointed as a Chairperson and Ms. Akshali Shah was inducted as a Member with effect from April 29, 2023.

Mr. Devendra Shah ceased to be Chairman & Member of the Committee w.e.f. April 29, 2023.

The Company has set up an internal compliance management tool (AVANTIS) to periodically review compliance requirements under different statutes, as applicable to the Company.

Terms of Reference

The terms of reference of the Committee are:

- Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- Periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- Keep the Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- Review the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);
- Provide ongoing guidance and support for the refinement of the overall risk management;

- Ensure that management understands and accepts its responsibility for identifying, assessing and managing risk;
- Determine which enterprise risks are most significant;
- Assign risk owners and approve action plans;
- Approve company-wide Risk Assessment & Risk Profile;
- Update the leadership team from time to time on the on-going ERM progress / changes;
- Review & report to the Company's Audit Committee / Board;
- Review and monitor Cyber security measures; and
- Formulate, monitor and review risk management policy and plan, inter-alia, covering investment of surplus funds, management of foreign exchange risks, cyber security risks, data privacy risks and intellectual property infringements risks.

e) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board has constituted a Corporate Social Responsibility (CSR) Committee in line with the provisions of Section 135 of the Companies Act, 2013 to recommend to the Board CSR initiatives of the Company and also to monitor implementation of the CSR initiatives.

Composition, Name of Chairperson and Members & Meetings and Attendance during the FY 2023-24:

During the FY 2023-24, the Committee met once on August 5, 2023.

Sr. No.	Name of the Member	Designation	Category	No. of Meetings during the Tenure	
				Held	Attended
1	Ms. Radhika Dudhat	Chairperson	Independent Director	1	1
2	Mr. Devendra Shah	Member	Executive Director	1	1
3	Ms. Akshali Shah	Member	Executive Director	1	1
4	Mr. Narendra Ambwani	Member	Independent Director	1	1

The Company Secretary acts as the Secretary to the Committee.

Key Terms of Reference

The terms of reference of the CSR Committee, inter-alia, are as follows:

- i Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII to the Act;
- ii Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy;
- iii Monitor the CSR Policy;
- iv Reviewing the performance of Company in the areas of CSR; and
- v Such other functions as provided under the Act / applicable statutes, as amended.

f) FINANCE COMMITTEE

Apart from the above Statutory Committees, the Board of Directors has constituted a Finance Committee to enhance governance standards and address pressing business requirements. The Finance Committee of the Board of Directors was set up w.e.f. August 10, 2016 to oversee routine operations that arise in the normal course of the business, such as decision on banking relations, delegation of operational powers, appointment of nominees under statutes, etc. and for taking decisions on behalf of the Board, during the intervening period between two Board Meetings, on the routine matters and also the matters on which decisions are required to be taken urgently. The Committee has been granted authority within certain specified limits to approve borrowings/ transactions and issues on a non-fund basis.

During the FY 2023-24, the Committee met seventeen times (17).

The details of composition of the Finance Committee and attendance of the Members at the Finance Committee Meetings during the FY 2023-24 are as under:

Sr. No.	Name of the Member	Designation	Category	No. of Meetings during the Tenure	
				Held	Attended
1	Mr. Nitin Dhavalikar	Chairman	Independent Director	17	17
2	Mr. Pritam Shah	Member	Executive Director	17	17
3	Mr. Devendra Shah	Member	Executive Director	17	17

g) MANAGEMENT COMMITTEE

Apart from the Finance Committee, the Board of Directors had constituted a Management Committee consisting of Executive Directors to enhance governance standards and address pressing business requirements. The Management Committee of the Board of Directors was set up w.e.f. August 5, 2023 for discharging the responsibilities relating to the transaction of routine, administrative nature that occur between regularly scheduled

meetings of the Board to ensure that business strategies, daily business and operational issues were carried out effectively and efficiently and that the requirements of good corporate governance practices could be instilled to foster a corporate culture that promotes ethical practices, integrity and smooth functioning of various processes in the Company including the internal control system.

During the FY 2023-24, the Committee met once.

The details of composition of the Management Committee and attendance of the Members at the Management Committee Meetings during the FY 2023-24 are as under

Sr. No.	Name of the Member	Designation	Category	No. of Meetings during the Tenure	
				Held	Attended
1	Ms. Akshali Shah	Chairperson	Executive Director	1	1
2	Mr. Devendra Shah	Member	Executive Director	1	1
3	Mr. Pritam Shah	Member	Executive Director	1	1

7. SENIOR MANAGEMENT

The details of Senior Management of the Company as on March 31, 2024 are as follows:

Sr. No.	Name of Senior Management Personnel	Designation
1.	Mr. Pritam Shah	Interim Chief Financial Officer
2.	Mr. Rahul Kumar Srivastava	Chief Operations Officer
3.	Mr. Virendra Varma	Company Secretary & Compliance Officer
4.	Mr. Binod Das	President- Sales

Changes in Senior Management since the close of previous financial year:

No. of Appointments	No. of Cessations
2	2

The details of remuneration paid / payable to Non-Executive Directors, including Independent Directors, during the FY 2023-24 are as under:

Name of Director	Sitting Fees			Commission	Total	
	Sitting Fees		Commission			Total
	Board Meeting	Committee Meeting				
Mr. Narendra Ambwani (ID)	0.40	0.70	2.30	3.40		
Mr. Nitin Dhavalikar (ID)	0.40	0.90	2.50	3.80		
Ms. Radhika Dudhat (ID)	0.40	0.60	2.60	3.60		
Mr. Dnyanesh Darshane (ID)	0.40	0.70	2.30	3.40		
Mr. Nikhil Vora*	NA	NA	NA	NA		
TOTAL	1.60	2.90	9.70	14.20		

*Mr. Nikhil Vora has waived-off his right to receive remuneration.

ii) Remuneration to Executive Directors

The appointment and remuneration of Executive Directors including Chairman - WTD and Managing Director is recommended by the NRC to the Board and the Shareholders. Payment of remuneration to Executive Directors is governed by the respective Agreements executed between Directors. The remuneration package of Whole- Time Directors and Managing Director is as approved by the shareholders at the General Meetings at the time of their appointment / re-appointment. The Members at their meeting held on September 27, 2023 approved the payment of commission to the Executive Directors w.e.f. FY 2023-24.

8. DETAILS OF REMUNERATION PAID TO DIRECTORS

i) Remuneration to Non-Executive Directors (including Independent Directors)

The Non-Executive Directors (except Mr. Nikhil Vora) are paid sitting fees of ₹1,00,000 for attending Board and Statutory Committee Meetings. The total amount of sitting fees paid to Non-Executive Directors, including Independent Directors (ID) during the FY 2023-24 was ₹4.5 Million. The Company also reimburses the out-of-pocket expenses, if any incurred by the Directors for attending the meetings.

The remuneration to Non-Executive Directors is based on the Nomination and Remuneration Policy of the Company. None of the Non-Executive Independent Directors has any pecuniary relationship or transactions with the Company and its Associates. The Members at their meeting held on September 27, 2023 approved the payment of commission to the Independent Directors w.e.f. FY 2023-24.

The tenure of office of the Whole-Time Directors is between three to five years from their respective date of appointment. The Agreements also contain clauses relating to termination of appointment in different circumstances. There is no specific provision for payment of severance fees to any of the Executive Directors.

Also, out of pocket expenses as incurred by the Directors for business of the Company are reimbursed to them. Annual increments are linked to performance and are decided by the NRC and recommended to the Board for approval thereof.

The details of all elements of remuneration package i.e. salary, benefits, bonus, pension, etc. paid to the Executive Directors for the FY 2023-24 are given below:

					(₹ in Million)
Name of Director	Designation	Fixed Salary & Perquisites	Sitting Fees	Commission paid / payable	Total Remuneration
Mr. Devendra Shah	Chairman - WTD	24.00	Nil	10.48	34.48
Mr. Pritam Shah	Managing Director	24.00	Nil	10.48	34.48
Ms. Akshali Shah	Executive Director	9.00	Nil	10.48	19.48
TOTAL		57.00	Nil	31.44	88.44

Presently, the Company has not granted any stock options to its Directors.

9. SUBSIDIARY COMPANY

The Board of Directors of the Company has approved a Policy for determining Material Subsidiaries which is in line with the Listing Regulations as amended. The said policy is available on the website of the Company viz. www.paragmilkfoods.com. The Company does not have a material subsidiary as on the date of this Report, having a net worth or income exceeding 10% of the consolidated net worth / income of the Company as defined under Regulation 16(1)(c) of the Listing Regulations.

The information in respect of the loans and advances in the nature of loans to subsidiaries pursuant to Regulation 34 of the Listing Regulations is provided in Notes to the standalone financial statements.

The minutes of the Board Meetings of the subsidiary company along with the details of significant

transactions and arrangements entered into are shared with the Board of Directors on a quarterly basis.

Additionally, the Company monitors performance of subsidiary company, inter-alia, by the following means:

- Financial statements, in particular investments made by subsidiary company, are reviewed quarterly by the Company's Audit Committee.
- A statement containing all significant transactions and arrangements entered into by subsidiary company is placed before the Board of Directors.
- Presentations are made to the Board on business performance of the subsidiary by the senior management.

10. GENERAL BODY MEETINGS

i. Details of Annual General Meetings (AGM):

Location and time of the last three Annual General Meetings held and the special resolutions passed in them:

Details of the AGMs held during the last 3 years and Special Resolutions passed thereat are given below:

Particulars of AGM	Date and Time	Venue	Details of Special Resolution(s) Passed
31 st AGM for FY 2022-23	September 27, 2023 at 04:30 P.M.	VC/ OAVM	<ol style="list-style-type: none"> 1. Payment of Commission to Independent Directors. 2. Payment of Commission to Executive Directors. 3. Approval for Revision in Remuneration of Ms. Akshali Shah - Executive Director. 4. Approval for Amendment in "Parag Milk Foods Limited" - Employee Stock Option Scheme 2022 (ESOP 2022 / ESOS 2022). 5. Approval for Increase in ESOP Pool of Parag Milk Foods Limited Employee Stock Option Plan 2022 and authorization to Nomination and Remuneration Committee to determine the Exercise Price on each grant to the Option Grantees. 6. Approval of Grant of Options to Employees of Subsidiary Company of the Company under Parag Milk Foods Limited Employee Stock Option Plan 2022.

Particulars of AGM	Date and Time	Venue	Details of Special Resolution(s) Passed
30 th AGM for FY 2021-22	September 30, 2022 at 04:30 P.M.	VC / OAVM	<ol style="list-style-type: none"> 1. Re-Appointment of Mr. Devendra Shah (DIN: 01127319) as Whole-Time Director of the Company. 2. Re-Appointment of Mr. Pritam Shah (DIN: 01127247) as Managing Director of the Company. 3. Approval for maintaining the Registers and Indexes of Members and copies of Annual Returns at place other than Registered Office of the Company. 4. Approval of 'Parag Milk Foods Limited Employee Stock Option Scheme 2022' (ESOP 2022) 5. Approval for grant of stock options to the employees of subsidiary company under ESOP 2022. 6. Approval for provision of money by the Company for subscription / acquisition of its own shares by the Trust under the ESOP 2022. 7. Approval for amendments in 'Parag Milk Foods Limited - Employee Stock Option Scheme 2015.
29 th AGM for FY 2020-21	September 15, 2021 at 04:00 P.M.	VC / OAVM	<ol style="list-style-type: none"> 1. Amendment to the Articles of Association (AOA) of the Company. 2. Approval for payment of remuneration to Mr. B.M. Vyas (DIN: 00043804), Non-Executive Director, exceeding fifty percent of the total remuneration payable to all Non-Executive Directors.

ii. Extra-Ordinary General Meeting (EGM)

During the FY 2023-24, no Extra-Ordinary General Meetings were held.

iii. Postal Ballot

During the FY 2023-24, no postal ballot was conducted.

11. MEANS OF COMMUNICATION

Effective communication of information is an essential component of Corporate Governance. It is a process of sharing information, ideas, thoughts, opinions and plans to all stakeholders, which promotes transparency, accountability and confidence in the stakeholders and strengthens robust shareholder relations. Information to Stock Exchanges is filed electronically on the online portals of BSE Limited (BSE) i.e. BSE Corporate Compliance & Listing Centre (Listing Centre) and National Stock Exchange of India Limited (NSE) i.e. NSE Electronic Application Processing System (NEAPS).

The Company regularly interacts with Members through multiple channels of communication such as results announcement, annual report, media releases, Company's website and subject specific communications, details is provided below:

a. Quarterly Results	The Quarterly / Half Yearly and Yearly Results are published in the newspapers having wide coverage.
b. Newspapers wherein results normally published	The financial results are published in leading English and Marathi daily newspapers, viz. "The Financial Express" (English Newspaper) and "Lok Satta" (Marathi Newspaper)
c. Any Website, where displayed	The Company's corporate website address is www.paragmilkfoods.com which contains a dedicated section " Investors Tab " wherein the communication is available.
d. Whether it also displays official news releases	Yes
e. The presentations made to institutional investors or to analysts	Any presentation made to the institutional investors or / and analysts are submitted to the stock Exchanges and also posted on the Company's website.

12. GENERAL SHAREHOLDER INFORMATION

I. Annual General Meeting

Day, Date and Time of the AGM: Wednesday, September 11, 2024 at 11:00 A.M. (IST).

Venue of the AGM: Video Conferencing / Other Audio Visual Means pursuant to the MCA Circular dated May 5, 2020 read with general circulars dated April 8, 2020, April 13, 2020, January 13, 2021, December 14, 2021, May 5, 2022, December 28, 2022 and September 25, 2023 as such there is no requirement to have a venue for the AGM.

Deemed Venue for Meeting: Registered Office of the Company.

For details, please refer to the notice of the current AGM.

As required under Regulation 36(3) of the SEBI Listing Regulations and Secretarial Standard 2 on General Meetings, particulars of Directors seeking re-appointment at this AGM are given in the Annexure to the Notice of this AGM.

II. Financial Year: April 1, 2023 to March 31, 2024

III. Record date (Cut-off Date): Wednesday, September, 4, 2024 for the purpose of Annual General Meeting (as mentioned in the Notice of this AGM).

VIII. Market Price Data

The details of monthly high/low, market price of the Equity shares of the Company at BSE and NSE for the year under review is provided hereunder:

Month	BSE - FY 2023-24			NSE - FY 2023-24		
	High	Low	Closing	High	Low	Closing
Apr-23	90.71	74.49	87.46	90.80	74.40	87.50
May-23	111.25	89.45	98.88	111.40	89.55	98.90
Jun-23	148.80	98.54	146.98	148.80	98.60	147.00
Jul-23	179.25	128.10	171.55	179.40	127.05	171.90
Aug-23	218.70	152.00	194.10	218.95	151.80	194.15
Sep-23	218.40	176.95	214.60	216.80	176.50	213.95
Oct-23	230.40	191.00	204.00	230.55	190.65	203.85
Nov-23	233.30	204.85	223.75	233.95	204.70	223.55
Dec-23	263.35	219.30	232.30	263.40	219.00	232.35
Jan-24	237.40	189.65	205.55	237.00	189.20	205.60
Feb-24	290.00	206.00	243.10	289.75	205.80	243.00
Mar-24	250.55	188.05	208.05	250.80	188.40	207.90

Source: BSE and NSE Websites

IV. Dividend Payment Date: On or after Thursday, September 12, 2024

V. Listing of Stock Exchanges:

The Company's Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited.

BSE Limited	National Stock Exchange of India Limited
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051

The annual listing fees of the BSE and the NSE for the FY 2023-24 has been paid within the prescribed timeline.

VI. Corporate Identification Number (CIN) of the Company:

L15204PN1992PLC070209

VII. Stock Code:

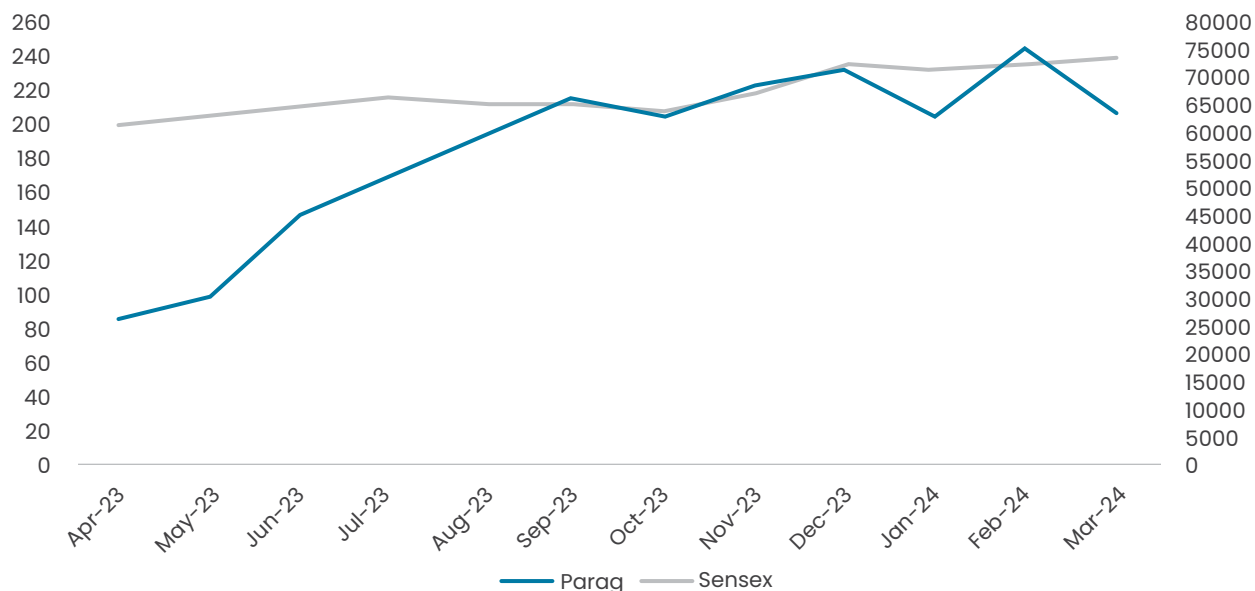
Stock Exchange	Code
BSE	539889
NSE	PARAGMILK

The ISIN of Parag Milk Foods Limited on both National Securities Depository Limited and Central Depository Services (India) Limited (CDSL) is INE883N01014

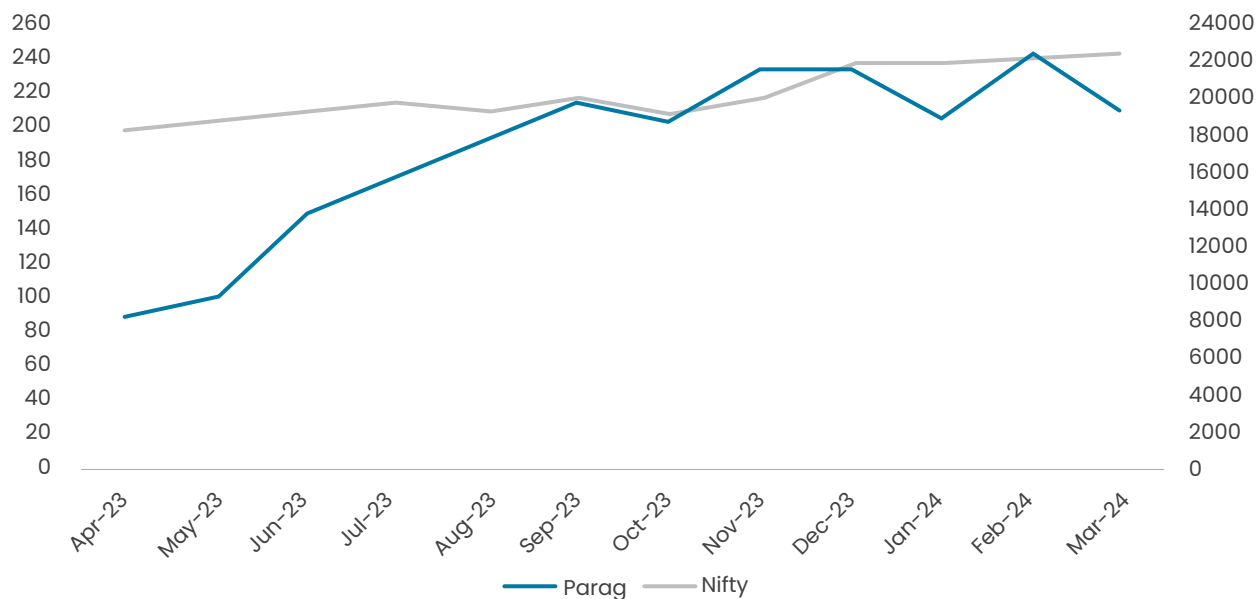
IX. Performance of the Company's Equity Share Price In Comparison to BSE and NSE Indices

The performance of the Company's equity share price vis-à-vis the broad-based BSE and NSE indices during the year is as under:

Company's Share Price vs BSE Sensex



Company's Share Price vs Nifty



X. In Case the Securities are Suspended from Trading, the Directors Report shall Explain the Reason Thereof

Not applicable.

XI. Registrar and Share Transfer Agents

The Registrar and Share Transfer Agent (RTA) of the Company, M/s. KFin Technologies Limited (KFinTech) continues to act as the Registrar and Share Transfer Agent of the Company.

RTA is responsible to handle the entire share registry work, both physical and electronic shares. Accordingly, all documents, transfer deeds, demat requests and other communications in relation thereto should be addressed to the RTA at their office address given in the subsequent paragraph.

As an ongoing endeavour to enhance Investor experience and leverage new technology, our registrar and transfer agents, KFIN Technologies Limited has been continuously developing new applications. Here is a list of applications that has been developed for our investors.

Investor Support Centre: A webpage accessible via any browser enabled system. Investors can use a host of services like Post a Query, Raise a service request, Track the status of their DEMAT and REMAT request, Dividend status, Interest and Redemption status, Upload exemption forms (TDS), Download all ISR and other related forms.

URL: <https://ris.kfintech.com/clientservices/isc>

eSign Facility: Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination requires that eSign option be provided to Investors for raising service requests. KFIN is the first RTA which has enabled the option and can be accessed via the link below:

URL: <https://ris.kfintech.com/clientservices/isc>

KYC Status: Shareholders can access the KYC status of their folio. The webpage has been created to ensure that shareholders have the requisite information regarding their folios.

URL: <https://ris.kfintech.com/clientservices/isc/kycqry.aspx>

KPRISM: A mobile application as well as a webpage which allows users to access Folio details, Interest and Dividend status, FAQs, ISR Forms and full suite of other investor services.

URL: <https://kprism.kfintech.com/signin.aspx>

WhatsApp: Modern technology has made it easier to communicate with shareholder across multiple levels. WhatsApp has a wider reach today with majority having a know-how of the application. In order to facilitate the shareholders KFIN has now a dedicated WhatsApp number that can be used for a bouquet of services.

WhatsApp Number: (91) 910 009 4099

KFin Technologies Limited

Unit: Parag Milk Foods Limited

Selenium Building, Tower B, Plot number 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddy - 500 032.

Email ID: einward.ris@kfintech.com

Phone: +180030 94001

WhatsApp Number: 091000 94099

KPRISM: <https://kprism.kfintech.com>

KFIN Corporate Website Link: <https://www.kfintech.com>

Corporate Registry (RIS) Website Link: <https://ris.kfintech.com>

Investor Support Centre Link: <https://ris.kfintech.com/clientservices/isc>

Website: www.kfintech.com

A. Share Transfer System

In terms of Regulation 40(1) of the Listing Regulations, securities can be transferred only in dematerialised form with effect from April 1, 2019. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialized to be able to freely transfer them and participate in various corporate actions.

Further, Pursuant to SEBI Circular dated January 25, 2022, the listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc.

In view of this and in order to eliminate the risks associated with physical shares, shareholders holding shares in physical form are advised to dematerialise the shares held by them. Shareholders are advised to refer the latest SEBI Circular No. SEBI/HO/MIRSD/MIRSD-POD-1/P/CIR/2023/37 dated March 16, 2023 issued for all the physical holders holding securities in listed companies to keep their KYC detail updated all the time to avoid freezing their folio as prescribed by SEBI.

Particulars of movement of shares in the dematerialized form are also placed before the Stakeholders' Relationship Committee.

In case of shares held in electronic form, the transfers are processed by NSDL and CDSL through respective Depository Participants. The Company obtains a certificate from Practising Company Secretary as required under Regulation 40(9) of the Listing Regulations and the same is filed with the Stock Exchanges.

B. Shareholding Pattern as on March 31, 2024:

a) Distribution of equity shareholding as on March 31, 2024

The broad shareholding distribution of the Company as on March 31, 2024 with respect to size of holdings was as follows:

Sr. No.	Category (Shares)	No. of Holders	% To Holders	No. of Shares	% To Equity
1	1 - 5000	98906	99.12	19184885	16.07
2	5001 - 10000	453	0.45	3470352	2.91
3	10001 - 20000	209	0.21	3054562	2.56
4	20001 - 30000	70	0.07	1735572	1.45
5	30001 - 40000	29	0.03	1016539	0.85
6	40001 - 50000	27	0.03	1250491	1.05
7	50001 - 100000	43	0.04	3120740	2.61
8	100001 and above	47	0.05	86542700	72.50
	TOTAL	99784	100.00	119375841	100.00

The quarterly shareholding patterns filed with the stock exchanges are also available on the website of the Company and on the website of the stock exchanges where equity shares of the Company are listed i.e., BSE and NSE

b) Categories of Equity Shareholding as on March 31, 2024

The shareholding pattern of the Company as on March 31, 2024 with respect to categories of investors was as follows:

Category of Shareholder(s)	No. of Shareholders	No. of Shares	% of No. of Shares
(A) Shareholding of Promoter and Promoter Group			
(a) Individuals	11	50861435	42.61
(b) Bodies Corporate	-	-	-
Total Shareholding of Promoter and Promoter Group (A)	11	50861435	42.61
(B) Public Shareholding			
(1) Institutions			
(a) Mutual Funds	1	79714	0.07
(b) Banks/FI	0	0	0.00
(c) Venture Capital Funds	0	0	0.00
(d) Foreign Portfolio Investors	32	10682111	8.95
(e) NBFCs registered with RBI	3	262782	0.22
(f) Alternative Investment Funds (Sixth Sense India Opportunities II & III)	2	9969046	8.35
(g) Any others	0	0	0.00
Sub-Total (B)(1)	38	20993653	17.59
(2) Non-Institutions			
(a) Bodies Corporate	367	10520533	8.81
(a) Directors and their relatives (excluding independent directors and nominee directors)	2	310700	0.26
(c) Key Managerial Personnel	1	10	0.00
(d) Individuals			
(i) Individual shareholders holding nominal share capital upto ₹2 lakh	96342	22534392	18.88

Category of Shareholder(s)	No. of Shareholders	No. of Shares	% of No. of Shares
(ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	133	7032766	5.89
(e) Non Resident Indian (NRI)	1325	1417721	1.19
(f) Foreign Companies	1	4199018	3.52
(i) Any Other (Specify)			
a. Clearing Members	4	1129	0.00
b. HUF	1558	1327469	1.11
c. Trusts	1	1000	0.00
Sub-Total (B)(2)	99734	47344738	39.66
Total Public Shareholding (B)=(B)(1)+(B)(2)	99772	68338391	57.25
(C) Non Promoter - Non Public Shareholder			
(a) Custodian / DR Holder	-	-	-
(b) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations 2014)	1	176015	0.15
Total Shareholding of Non Promoter Non Public (C)	1	176015	0.15
Total (A)+(B)+(C)	99784	119375841	100.00

c) Top ten equity shareholders of the Company as on March 31, 2024

Sr. No.	Shareholders	Total Shares	% of Holding
1	Devendra Prakash Shah	20206400	16.93
2	Netra Pritam Shah	13867027	11.61
3	Pritam Prakash Shah	9159888	7.67
4	Sixth Sense India Opportunities III	8167245	6.84
5	AG Dynamic Funds Limited	5433150	4.55
6	International Finance Corporation	4199018	3.52
7	Peance Commercial Private Limited	3460981	2.90
8	Poojan Devendra Shah	3295000	2.76
9	VLS Finance Ltd	2634826	2.21
10	Priti Devendra Shah	2222820	1.86

C. Dematerialization of Shares and Liquidity

The Company's shares are dematerialized and shares are held with both the depositories, viz. NSDL and CDSL. As on March 31, 2024, all the shares are held in dematerialized form only.

D. Outstanding GDRs / ADRs / Warrants or any Convertible Instruments, Conversion Date and Likely Impact on Equity:

During the month of February 2024, the Company allotted 20,00,000 equity shares to Ms. Akshali Shah (Member of Promoter group) at a price of ₹93.75/- (including a premium of ₹83.75/-) per share warrant pursuant to conversion of fully paid up warrants into equal number of equity shares which were issued in last FY 2022-23.

The Company has not issued any GDRs / ADRs that are outstanding during the relevant financial year.

E. Commodity Price Risk or Foreign Exchange Risk and Hedging Activities;

The Company does not deal in any commodities. The Company does not carry out any hedging activities for the same.

The Company does have forex transactions carried out and does not have any hedging activities.

F. Plant Locations

The Company has the following Manufacturing and Operating Divisions as on March 31, 2024:

Sr. No.	Plant	Locations
1.	Plant 1	Manchar Plant: Awasari Phata, Post Manchar, Tal. Ambegoan Dist., Pune, Maharashtra - 410503.
2.	Plant 2	Palamaner Plant: 149/1, Samudra Palli (Village), Pengaragunta (P.O.), Palamaner (Mdl), Chittoor (Dist.), A.P. - 517 408.
3.	Plant 3	Sonipat Plant: Plot No. 2266-2268, Food Park, Phase-2, HSIIDC Industrial Estate - Rai, Sonipat, Haryana - 131 029.

G. Address for Correspondence / Investor Correspondence

- All Members correspondence should be forwarded to M/s. KFin Technologies Limited, the Registrar and Transfer Agent of the Company or to the Investor Relations team at the Corporate Office of the Company or at the e-mail address mentioned below.
- The Company's dedicated e-mail address for Investors' Complaints and other communications is investors@parag.com
- SEBI vide its circular dated March 26, 2018 issued measures w.r.t. SEBI Complaints Redress System (SCORES). As per the process measures, SEBI requested the Members to approach the Company directly at the first instance for their grievances.

KFin Technologies Limited (Formerly known as KFin Technologies Private Limited)	Compliance Officer	Investor Relations
Unit : Parag Milk Foods Limited	Mr. Virendra Varma	Ms. Sangeeta Tripathi
Selenium Building, Tower B, Plot number 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy - 500 032.	Company Secretary & Compliance Officer	Senior Manager - Investor Relations
Email: einward.ris@kfintech.com	E-mail: cs@parag.com	E-mail: investors@parag.com
Telephone: +1800 309 4001	Telephone: (022) 62805555	Telephone: (022) 43005555
Website: www.kfintech.com		
WhatsApp No. (91) 910 009 4099		

H. Credit Rating

All details of credit ratings obtained by the Company including any revisions thereto, during the FY 2023-24, have been included in the Directors Report forming part of this Annual Report.

13. OTHER DISCLOSURES

1. Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.	Nil
2. Details of non-compliance by the Company, penalties, strictures imposed on it by stock exchange (s) or the SEBI or any statutory authority, on any matter related to capital markets, during the last three years.	There was no non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets, during the last three years except delay in filing of the financial results for the financial year ended on March 31, 2022 under Regulation 33 of Listing Regulations for which the Company had received show cause notice from BSE and NSE imposing fine of ₹0.15 Million by each of the Stock Exchanges. The Company had duly replied to such show-cause notice and had paid the fine and made an application for waiver of the same.
3. Details of establishment of vigil mechanism, whistle blower policy, and affirmation that no personnel has been denied access to the audit committee	The Company has provided opportunities to encourage employees to become whistle blowers. It has also ensured a mechanism within the same framework to protect them from any kind of harm and the details are available at the Company's website, www.paragmilkfoods.com . No personnel has been denied access to the Audit Committee. No Complaints has been received by the Audit Committee from any employee of the Company.
4. Details of compliance with mandatory requirements and adoption of Non-mandatory requirements	The Company has disclosed and complied with all the mandatory requirements under LODR Regulations with regard to Corporate Governance and the details of these compliances have been given in the relevant sections of this report and adoption of non-mandatory requirements is given in point 16 below.
5. Web link where policy for determining material' subsidiaries is disclosed	The policy for determining 'material subsidiaries' is disclosed at Company's website https://www.paragmilkfoods.com/parag_uploads/PolicyForMaterialSubsidiaries.pdf
6. Web link where policy on dealing with related party is disclosed	The policy for dealing with Related Party transactions is disclosed at Company's website https://www.paragmilkfoods.com/parag_uploads/PolicyOnRelatedPartyTransactions.pdf
7. Disclosure of commodity price risks and commodity hedging activities	Not applicable, as the Company is not dealing with any "commodities"
8. Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)	During the year, the Company allotted 20,00,000 equity shares to Ms. Akshali Shah (Member of Promoter group) at a price of ₹93.75/- (including a premium of ₹83.75/-) pursuant to conversion of fully paid up warrants in the month of February, 2024. Area of Utilisation of Funds: For long term working capital requirements and other general corporate purposes.
9. A certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority	The Company has received a certificate from M/s. N. L. Bhatia & Associates, Practising Company Secretaries confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority.

10. Where the board had not accepted any recommendation of any committee of the board which is mandatorily required in the relevant financial year, the same to be disclosed along with reasons thereof:	During the year, there has been no occasion where the Board has not accepted any recommendation of any of the committees.
11. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm / network entity of which the statutory auditor is a part:	<p>The Audit Fees paid to M/s. Sharp & Tannan, Statutory Auditors for FY 2023-24:</p> <p>(i) Parag Milk Foods Limited - Total Audit Fees - ₹4.96 Million Statutory Audit Fees - ₹2.70 Million Limited Review Fees - ₹0.90 Million Certifications: ₹0.96 Million Others: ₹0.40 Million</p> <p>(ii) Bhagalaxmi Dairy Farms Pvt. Ltd. - ₹0.66 Million</p>
12. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during FY 2023-24:	<p>(i) Number of complaints filed Nil</p> <p>(ii) Number of complaints disposed of Nil</p> <p>(iii) Number of complaints pending Nil</p>
13. Disclosure by Company and its subsidiaries of "Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount.	The Company has not given any any Loans or advances in the nature of loans to firms / companies in which directors are interested i.e. in Bhagalaxmi Dairy Farms Private Limited - Wholly Owned Subsidiary.
14. Details of material subsidiaries of the listed entity; including the date and place of incorporation and the name and date of appointment of the statutory auditors of such subsidiaries.	Not Applicable as there is no Material Subsidiary of the Company as on March 31, 2024.
15. Non-compliance of any requirement of corporate governance report of sub-paras mentioned above, with reasons thereof shall be disclosed.	Our Company is fully compliant with LODR Regulations and there are no such non-compliances. Not applicable, since all the requirements have been complied with.
16. Extent to which the Discretionary requirements as specified in Part E of Schedule II have been adopted.	<p>i) The Board: The requirement relating to maintenance of office and reimbursement of expenses of Non - Executive Chairman is not applicable to the Company since the Chairman of the Company is an Executive Director.</p> <p>ii) Shareholder Rights: The Company has not adopted the practice of sending out half - yearly declaration of financial performance to shareholders. Quarterly results as approved by the Board are disseminated to the Stock Exchanges and updated on the website of the Company.</p> <p>iii) Modified Opinion(s) in Audit Report: There are no modified opinions in audit report.</p> <p>iv) Separate posts of Chairperson and the Managing Director or the Chief Executive Officer: The Company has appointed separate persons to the post of Chairperson and Managing Director. But the Chairperson is an Executive Director and related to the Managing Director.</p>

	v) Reporting of Internal Auditor: In accordance with the provisions of Section 138 of the Act, the Company has appointed an Internal Auditor who reports to the Audit Committee. Quarterly internal audit reports are submitted to the Audit Committee which reviews the reports and suggests necessary action.
17. Directors and Officers Liability Insurance	As per the provisions of the Act and in compliance with Regulation 25(10) of the Listing Regulations, the Company has taken a Directors and Officers Liability Insurance (D & O) on behalf of all Directors including Independent Directors and Officers of the Company for indemnifying any of them against any personal liability coming onto them whilst discharging fiduciary responsibilities in relation to the Company.
18. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46(2) of Listing Regulations.	The Company has complied with the requirements of Corporate Governance Report of Paras (2) to (10) mentioned in Part 'C' of Schedule V of the Listing Regulations and disclosed necessary information as specified in Regulation 17 to 27 and Regulation 46(2)(b) to (i) of the Listing Regulations in the respective places in this Report.
19. Disclosure of certain types of agreements binding the Company	For the FY 2023-24, disclosure under this section is not applicable.

14. Declaration signed by the Managing Director stating that the Members of the Board of Directors and the Senior Management Personnel have affirmed compliance with the code of conduct of board of directors and senior management is annexed to this report (CEO / CFO Certification).

15. Compliance certificate obtained from M/s. N. L. Bhatia & Associates, a firm of Practising Company Secretaries, regarding compliance of conditions of corporate governance, is annexed to this report.

16. Unclaimed Dividend:

In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Act, read with the Investor Education and Protection Fund (IEPF) Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF rules) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), any dividends or proceeds from the sale of fractional shares that remain unclaimed / unpaid for a period of seven years must be transferred to the IEPF.

Pursuant to the provisions of Section 124 of the Act read with the IEPF Rules, as amended, all the shares with unclaimed dividends for seven consecutive years must be transferred to the Demat Account of the IEPF Authority .

In terms of the provisions of IEPF Rules, no amounts of unpaid / unclaimed dividends and shares were required to be transferred during the FY 2023-24 to the IEPF.

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on March 31, 2023 on the Company's website at www.paragmilkfoods.com. The details of unpaid and unclaimed amounts lying with the Company as on March 31, 2024 shall be updated within the prescribed timeframe from the date of ensuing AGM.

The Company sends reminders to shareholders periodically, urging them to claim their unclaimed dividends to avoid transfer to the IEPF Authority. Notices are also published in newspapers, and the details of unclaimed dividends and shareholders whose shares are eligible for transfer to the IEPF Authority are available on the Company's website at <https://www.paragmilkfoods.com/investors.php>.

Details of Unclaimed Dividend as on March 31, 2024 and due dates for transfer are as follows:

Sr. No.	FY to which Dividend pertains	Unclaimed Amount (₹)	Due date for transfer to IEPF
1.	2020-21	54,603	October 14, 2028
2.	2019-20	92,440	October 6, 2027
3.	2018-19	2,30,341	October 31, 2026
4.	2017-18	40,277	October 20, 2025
5.	2016-17	37,796	September 10, 2024

Members can claim the unpaid dividend from the Company for the FY 2016-17 before it is transferred to the IEPF account. As per the IEPF rules, the transferred dividend can be claimed by the concerned member by making an application in Form IEPF-5 along with necessary documents to the IEPF authority and no claim shall lie against the Company for the same.

Disclosure with respect to demat suspense account / unclaimed suspense account

Particulars	No. of Shareholders	No. of Equity Shares
a) Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Suspense Account as on April 1, 2023	Nil	Nil
b) Number of shareholders who approached the Company for transfer of shares from the Unclaimed Suspense Account during the year	Nil	Nil
c) Number of shareholders to whom the shares were transferred from the Unclaimed Suspense Account during the year	Nil	Nil
d) Number of shareholders whose unclaimed dividends were transferred to the IEPF account in terms of Ministry of Corporate Affairs General Circular No. 12/2017 dated October 16, 2017	Nil	Nil
e) Aggregate number of shareholders and the outstanding Shares lying in the Unclaimed Suspense Account as on March 31, 2024	Nil	Nil
f) It is hereby confirmed that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	N.A.	N.A

For Parag Milk Foods Limited

Sd/-

Devendra Shah

Chairman

DIN: 01127319

Date: May 18, 2024

Place: Mumbai

DECLARATION BY MANAGING DIRECTOR ON COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

To,

The Members of

Parag Milk Foods Limited

The Company has formulated a Code of Conduct for Board of Directors and Senior Management Personnel of the Company. The Code has been posted on the Website of the Company. It is hereby affirmed that all Directors and Senior Managers have complied with the Code of Conduct framed by the Company and a confirmation to this effect for the year 2023-24 has been obtained from all the Directors and Senior Management Personnel.

For Parag Milk Foods Limited

Sd/-

Pritam Shah

Managing Director & Interim CFO

DIN: 01127247

Date: May 18, 2024

Place: Mumbai

MANAGING DIRECTOR / CFO CERTIFICATE

To,
The Board of Directors,
Parag Milk Foods Limited

I, **Pritam Shah** - Managing Director & Interim CFO of **Parag Milk Foods Limited**, to the best of my knowledge and belief, certify that:

- 1) I have reviewed the Financial Statements for the financial year ended March 31, 2024 and to the best of my knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b. these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- 2) To the best of my knowledge and belief, no transactions entered into by the Company during the financial year ended March 31, 2024 are fraudulent, illegal or violates the Company's code of conduct.
- 3) I accept responsibility for establishing and maintaining Internal Controls for Financial Reporting and I have evaluated the Effectiveness of Internal Control Systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- 4) I have indicated to the auditors and the Audit Committee that:
 - a. There has not been any significant change in internal control over financial reporting during the year under reference;
 - b. There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
 - c. I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For Parag Milk Foods Limited

Sd/-

Pritam Shah

Managing Director & Interim CFO

DIN: 01127247

Date: May 18, 2024

Place: Mumbai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,

Parag Milk Foods Limited,

Flat No.1, Plot No.19,

Nav Rajasthan Soc., Behind Ratna Memorial Hospital,

S.B. Road, Shivaji Nagar

Pune- 411016

We, **M/s. N. L. Bhatia & Associates**, Practising Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Parag Milk Foods Limited** having CIN: **L15204PN1992PLC070209** and having registered office at Flat No.1, Plot No.19, Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar, Pune - 411016 (the Company), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2024 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Devendra Prakash Shah	01127319	29/12/1992
2.	Pritam Prakash Shah	01127247	29/12/1992
3.	Akshali Shah	06575079	25/12/2022
4.	Narendra Kumar Anand Ambwani	00236658	26/05/2015
5.	Radhika Dudhat	00016712	26/05/2015
6.	Nitin Ramchandra Dhavalikar	07239870	28/07/2015
7.	Nikhil Kishorchandra Vora	05014606	20/08/2021
8.	Dnyanesh Vishnu Darshane	08515431	25/12/2022

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Date: May 18, 2024

Place: Mumbai

For M/s N. L. Bhatia & Associates

Practising Company Secretaries

UIN: P1996MHO55800

P/R No.: 700/2020

Bharat Upadhyay

Partner

FCS: 5436

CP. No.: 4457

UDIN: F005436FO00395342

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
Parag Milk Foods Limited

We, **M/s N L Bhatia & Associates**, Practising Company Secretaries have examined all the relevant records of **Parag Milk Foods Limited** (the Company) for the purpose of certifying compliance of the conditions of Corporate Governance under Chapter IV to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) for the period from April 1, 2023 to March 31, 2024. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation process adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. This certificate is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations and information furnished to us, we certify that the Company has complied with all the conditions of Corporate Governance as stipulated in the Listing Regulations.

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

Date: May 18, 2024

Place: Mumbai

For M/s. N L Bhatia & Associates
Practising Company Secretaries

UIN: P1996MHO55800

P/R No.: 700/2020

Bharat Upadhyay

Partner

FCS: 5436

CP. No. 4457

UDIN: FO05436F000395353

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

[Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

The present report has been compiled in accordance with the guidelines set forth by the Securities and Exchange Board of India (SEBI) for Business Responsibility and Sustainability Reporting (BRSR). Its principal aim is to exhibit enhanced transparency with respect to the means by which enterprises generate value by making active contributions to a sustainable economy. The report highlights our steadfast dedication to generating long-term value for our stakeholders while concurrently advancing sustainable development.

SECTION A: GENERAL DISCLOSURES

1) DETAILS OF THE ENTITY

S. No	Particulars	Response
1.	Corporate identity Number (CIN) of the Entity	L15204PN1992PLC070209
2.	Name of the Entity	Parag Milk Foods Limited
3.	Year of incorporation	1992
4.	Registered office address	Flat No.1, Plot No.19, Nav Rajasthan Soc., Behind Ratna Memorial Hospital, S.B. Road, Shivaji Nagar Pune, Maharashtra - 411016
5.	Corporate Office address	10 th Floor, Nirmal Building, Nariman Point, Mumbai - 400021
6.	E-mail	cs@parag.com
7.	Telephone	(020) 4131 - 4444
8.	Website	www.paragmilkfoods.com
9.	Financial year for which reporting is being done	2023 - 24
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited, National Stock Exchange of India Limited
11.	Paid-up Capital	₹1,19,37,58,410/- (Divided into 11,93,75,841 equity shares of ₹10/- each.
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Sangeeta Tripathi (Sr. Manager - Investor Relations) Telephone: 022 - 4300 5555 Email address: sangeeta.tripathi@parag.com
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosure under this report is on standalone basis for Parag Milk Foods Limited, unless otherwise specified.
14.	Name of assurance provider	None
15.	Type of assurance obtained	Not Applicable (NA)

2) PRODUCTS/SERVICES

16. Details of business activities (accounting for 90% of the turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Manufacturing	Food, beverages and tobacco products	100%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S.No.	Product/Service	NIC Code	% of total Turnover contributed
1.	Manufacture of dairy products	1050	100%

3) OPERATIONS

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	3	33	36
International	NIL	NIL	NIL

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	Our Company has a presence in all the States and Union Territories of India, demonstrating our comprehensive coverage and commitment to serving customers throughout the nation
International (No. of Countries)	30 plus International Markets

b) Contribution of exports:

What is the contribution of exports as a percentage of the total turnover of the entity?	1.21%
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c) Type of Customers

A brief on types of customers Our Company caters to a wide range of esteemed customers, leveraging the paramount Unique Selling Point (USP) of its products, which are meticulously processed from 100% cow's milk. With an extensive and robust distribution network comprising 24 strategically located depots, over 300 super stockists, and an extensive network of more than 3,000 distributors, our company effectively reaches and serves an extensive network of over 3.5 lakh retail counters across diverse geographical locations.

Moreover, our Company has successfully forged strong partnerships with reputable institutional and HORECA (Hotels, Restaurants, and Catering) customers. These valued customers rely on our exceptional product portfolio, including ghee, cheese and whey products, to fulfil their distinct requirements and elevate their culinary offerings. By catering to these discerning customers, our company reinforces its position in the market, showcasing its unwavering commitment to delivering unparalleled quality and catering to the diverse needs of its esteemed clientele.

4) EMPLOYEES

20. Details at the end of the Financial year:

a) Employees and workers (including differently abled):

S. No. Particulars	Total (A)	Male		Female	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Employees					
1. Permanent (D)	1219	1087	89.17%	132	10.83%
2. Other than Permanent (E)	124	67	54.03%	57	45.97%
3. Total employees (D + E)	1343	1154	85.93%	189	14.07%
Workers					
1. Permanent (F)	553	538	97.29%	15	2.71%
2. Other than Permanent (G)	280	131	46.79%	149	53.21%
3. Total workers (F + G)	833	669	80.31%	164	19.69%

b) Differently abled Employees and Workers:

S.No. Particulars	Total (A)	Male		Female	
		No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees					
1. Permanent (D)	1	0	-	1	100%
2. Other than Permanent (E)	0	0	-	0	-
3. Total employees (D + E)	1	0	-	1	100%
Differently Abled Workers					
1. Permanent (F)	7	7	100%	0	-
2. Other than Permanent (G)	0	0	-	0	-
3. Total workers (F + G)	7	7	100%	0	-

21. Participation/Inclusion/Representation of women:

Category	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	2	25%
Key Management Personnel	2*	0	-

*Includes: Company Secretary and Chief Financial Officer

22. Turnover rate for permanent employees and workers:

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-22 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	35%	18%	33%	41%	43%	41%	34%	46%	35%
Permanent Workers	4%	7%	4%	7%	0%	7%	7.5%	22%	8%

5) HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)**23. Names of holding / subsidiary / associate companies / joint ventures:**

Sr. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether Holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Bhagyalaxmi Dairy Farms Private Limited	Subsidiary	100%	No, nevertheless, the unlisted private subsidiary independently undertakes its own business responsibility initiatives while ensuring alignment with the company's environmental, social, and governance (ESG) initiatives.

6) CORPORATE SOCIAL RESPONSIBILITY (CSR) DETAILS

Sr. No.	Requirement	Response
1.	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	Yes
2.	Turnover (In Millions)	30,898.26
3.	Net worth (In Millions)	9,126.63

7) TRANSPARENCY AND DISCLOSURES COMPLIANCES

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 Current Financial Year			FY 2022-23 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes	0	0	-	0	0	-
Investors and shareholders	Yes	12	0	*	23	0	*
Employees and workers	Yes	0	0	-	0	0	-
Customers	Yes	0	0	-	0	0	-
Value Chain Partners	Yes	0	0	-	0	0	-

*All the received complaints have been successfully addressed and resolved.

Our Company has developed an all-encompassing Stakeholder Management Policy aimed at establishing a structured framework for addressing concerns and grievances expressed by both internal and external stakeholders. This policy has been designed to proactively mitigate any potential social risks that could have a negative impact on Parag's operations.

For more detailed information, please refer to Parag's Stakeholder Management Policy, accessible through the following web link: <https://www.paragmilkfoods.com/investors.php>

26. Overview of the entity's material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	GHG Emissions	Risk	Greenhouse gas (GHG) emissions pose several risks for a dairy company which contributes to a significant amount of global emissions. As climate change intensifies, shifting weather patterns compromise the availability and quality of essential resources like water and feed crops for dairy cattle. Rising temperatures also exacerbate heat stress in cattle, undermining their health and productivity.	To mitigate GHG emissions risks, PMFL is enhancing feed efficiency, decreasing manure emissions, using 45% of clean Renewable Energy in its Operations, implementing conservation measures, optimizing water usage, and addressing public concerns regarding the ecological footprint of the Company.	Negative

S. No	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Water Management	Risk	Effective water management is crucial in the dairy industry for maintaining hygiene, product quality and sustainability. Poor water quality can harm the taste, texture, and shelf-life of dairy products, impacting brand reputation. Water scarcity challenges animal welfare and farm profitability, as dairy farming relies heavily on water. Unsustainable water usage and wastewater disposal can lead to pollution and ecosystem degradation.	To address water management risks, PMFL has implemented various strategies, including water conservation practices, monitoring water usage, and implementing water management plans. As a result, it has significantly reduced water consumption per litre of milk handled. Approximately 55% of the unit's water usage is sourced from recycled sources, demonstrating commitment to responsible water management and environmental preservation. This achievement is driven by recycling and reusing ETP-treated water for gardening, agriculture, and cleaning milk storage tankers, adoption of the Zero Liquid Discharge principle.	Negative
3.	Waste Management	Risk	Improper disposal of dairy waste can result in environmental pollution, contaminating water sources and harming local ecosystems. Health hazards emerge as manure accumulation becomes a ground for pathogens, posing threats to both livestock and nearby communities.	Our Company mitigates the risks associated with waste management by implementing the following strategies: Reducing waste generation, Segregating and managing waste, implementing waste management plans, conducting Training and awareness.	Negative
4.	Product Quality & Safety	Opportunity	PMFL differentiates themselves from competitors and establish a competitive advantage. Consumers are willing to pay more for products that are perceived to be of higher quality and safe. Prioritizing product quality and safety encourages innovation and differentiation within the industry.	-	Positive

S. Material No issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
5. Customer Welfare	Opportunity	Customer welfare presents a significant opportunity for our Company to improve the financial performance and grow the business. By prioritizing customer needs, Company can build trust and loyalty with customers, increase sales and revenue, and enhance brand reputation and market positioning, which can all contribute to long-term success.	-	Positive
6. Competitive Behaviour	Opportunity	Competitive behaviour is an opportunity for our Company, as it can lead to innovation, increased market share, improved efficiency, higher customer satisfaction, and overall industry growth.	-	Positive

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

S. No	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1.	a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b) Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c) Web Link of the Policies, if available	https://www.paragmilkfoods.com/investors.php in 'Policies' tab under 'Corporate Governance' section.								
2.	Whether the entity has translated the policy into procedures. (Yes / No)	Yes, the Company has translated the policies into procedures.								
3.	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes, these extend to value chain partners wherever it is relevant and to the extent applicable.								

4.	Name of the national and international codes / certifications/ labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	P1	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC).
		P2	Food Safety Management System ISO: 22000:2018, Halal Certificate 1500-2019.
		P3	Occupational Health and Management Systems OHSAS 45001:2018.
		P4	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC).
		P5	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC).
		P6	Environmental Management Compliance System ISO: 14001:2015, Certification on Energy Management 50001:2018.
		P7	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC).
		P8	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC).
		P9	Our Company's operations adhere to the National Guidelines on Responsible Business Conduct (NGBRC).

5. Specific commitments, goals and targets set by the entity with defined timelines, if any.

S. No	Specific commitments, goals	Description	Principle
1	Water Management	<p>Objective:</p> <p>To optimise water management practices and ensure the efficient and sustainable use of water resources within our company.</p> <p>Commitment:</p> <p>Our company is committed to implementing water-efficient technologies and practices throughout its operations. We will invest in equipment and systems that reduce water consumption, such as high-efficiency cleaning systems, water recycling systems, and automated water monitoring systems. Additionally, we will prioritise water conservation measures and employee awareness programs to foster a culture of responsible water usage.</p> <p>Targets and Timeline:</p> <p>By Year 2026, we aim to achieve the following targets:</p> <ol style="list-style-type: none"> 1. Water Reduction per Litre of Milk: Reduce the amount of water required per litre of milk at our facilities in Manchar and Palamaner. 2. Increase Water Recycling: Boost water recycling efforts by 20% through investments in advanced water treatment and recycling systems. Attain 50% water recycling across our operations. 3. Implement Water-Efficient Technologies: Adopt water-efficient technologies and practices in our production areas to achieve an overall reduction in water consumption. 	P6

4. Reduction in Fresh Water Usage: Achieve a 35% reduction in fresh water usage.
5. Groundwater Recharge: Facilitate groundwater recharge by 1,50,000 litres per annum through various initiatives, such as rainwater harvesting (RHW) and pond desilting.

These targets will guide our efforts in improving water management practices, minimising water usage, and contributing to the long-term sustainability of water resources. We will regularly monitor and evaluate our progress to ensure the effective implementation of our commitments.

2 Waste Management

Objective:

P6

To establish effective waste management practices within our company, focussing on waste reduction, recycling responsible disposal and minimising environment impacts.

Commitment:

Our company is committed to implementing Proper waste segregation and handling procedures, Responsible disposal methods, Hazardous waste management protocols and promoting Recycling and reuse initiatives. We will prioritise the adoption of sustainable waste management practices across all our operations.

Targets and Timeline:

By Year 2026, we aim to achieve the following targets:

1. Waste Reduction: Decrease waste generation by 8% through initiatives such as waste reduction programs, process optimization, and employee awareness campaigns.
2. Increase Waste Recycling: Enhance waste recycling efforts by promoting the use of materials within our company and exploring opportunities for circular economy practices.
3. Packaging Material Consumption: Improve overall packaging material consumption by 2% by Year 2026, and achieve a 5% improvement per metric ton by Year 2030.
4. Recyclable Packaging Material: Transition to using 100% recyclable packaging material by Year 2030.

These targets and timelines will guide our efforts in improving waste management practices, reducing waste generation and maximising resource efficiency. We will regularly assess and monitor our progress to ensure the successful implementation of our commitments and contribute to a sustainable future.

3 Energy Management

Objective:

P6

To achieve efficient energy management practices within our company, focussing on optimising energy use, reducing consumption, promoting energy efficiency and increasing the adoption of renewable energy sources.

Commitment:

Our Company is committed to investing in energy-efficient equipment, providing employee training and awareness, adopting renewable energy systems, and continuously monitoring and reporting systems and improving our energy management practices through benchmarking and best practices.

Targets and Timeline:

By Year 2026, we aim to achieve the following targets:

1. Renewable Energy: Ensure that 75% of our electrical energy comes from renewable sources. and by Year 2030, we aim to source 50% of our overall energy from green and clean sources.
2. Reduction in Non-Renewable Energy Consumption: Decrease non-renewable energy use by 20% through investments in renewable energy infrastructure, such as biogas and solar panels, and by exploring green energy procurement partnerships.
3. Energy Monitoring and Reporting Systems: Implement systems to monitor and report energy consumption, identify areas for improvement, and enhance accountability.
4. Improvement in Captive Energy Consumption: Achieve a 2% improvement in captive energy consumption per metric ton by Year 2026.
5. Continuous Improvement: Enhance our energy management practices by benchmarking against industry standards and adopting best practices in energy efficiency.

These targets and timelines will guide our efforts in optimising energy management, reducing our environment footprint and transitioning towards a more sustainable energy future.

4 Product Quality & Safety

Objective:

P2

To ensure production of high quality dairy products that consistently meet customer expectations in terms of taste, texture, appearance and nutritional contents.

Commitment:

Our company is committed to implementing robust hygiene and sanitation practices across all stages of production. We will maintain clean and sanitised production facilities, adhere to strict sanitation procedures, and continuously monitor and control microbiological hazards to prevent contamination and ensure product safety.

Targets and Timeline:

Our Company aims to maintain and continuously improve the standards and best practices already in place for quality control, hygiene and sanitation.

Our commitment to hygiene sanitation and quality control will be an integral part of our daily operations to maintain the trust and satisfaction of our customers.

- | | | |
|----|---|--|
| 6. | Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met | We are diligently advancing our initiatives in water management, waste management, energy management, and product quality and safety by integrating advanced technologies and sustainable practices. These comprehensive efforts are strategically aligned with our 2026 objectives, aimed at optimizing resource efficiency and enhancing overall operational sustainability. Through these initiatives, we seek to achieve significant improvements in efficiency and effectiveness across all facets of our operations. |
|----|---|--|

Governance, leadership and oversight

- | | | |
|----|---|---|
| 7. | Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements | As the Director responsible for business responsibility, I am pleased to report that our company has made significant strides in addressing key Environmental, Social, and Governance (ESG) challenges. Our unwavering focus on sustainability has not only allowed us to meet our targets but has also enhanced the overall impact of our operations on the environment, our stakeholders, and the communities we serve. |
|----|---|---|

We have achieved notable milestones, including a substantial reduction in our carbon footprint through targeted investments in renewable energy. By Year 2026, we aim to source 75% of our electrical energy from renewable sources, with a longer-term goal of 50% from green and clean sources by Year 2030. In waste management, we have made considerable progress, setting ambitious targets to reduce waste generation by 8%, improve packaging material consumption by 2% by Year 2026, and reach a 5% improvement per metric ton by Year 2030. We are also committed to using 100% recyclable packaging material by Year 2030.

Our water management efforts have been equally impressive. We are focused on reducing water use per litre of milk, increasing water recycling by 20%, and achieving a 35% reduction in fresh water usage by Year 2026. Additionally, we are dedicated to recharging 150,000 litres of groundwater Annually through initiatives such as rainwater harvesting and pond desilting.

Beyond these environmental initiatives, we have strengthened our engagement with suppliers to ensure ethical sourcing practices and invested in local communities through various programs. Our commitment to ESG performance remains steadfast as we set new targets and refine our strategies, continuously striving to drive further progress and uphold our dedication to sustainability.

- Pritam Shah
 Managing Director & Interim CFO
 (DIN: 01127247)

- | | | |
|----|---|--|
| 8. | Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies). | The Risk Management Committee is the highest authority responsible for implementation and oversight of the Business Responsibility Policies. |
|----|---|--|

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

The purpose of this section is to assist entities in showcasing their ability to effectively incorporate the principles and core elements into critical processes and decisions. The Company has complied with all mandatory disclosures stipulated under the Business Responsibility and Sustainability Reporting (BRSR) framework. Moreover, the Company is currently in the process of disclosing leadership indicators in its forthcoming financial years.

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY, AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE



A) ESSENTIAL INDICATORS:

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes*
Board of Directors	11	<ul style="list-style-type: none"> • Outlook of dairy sector • Governance and regulatory compliance requirements • Inclusive Growth and Equitable Development through CSR Initiatives • Whistle Blower Mechanism • Risk management • Cyber security risk 	100%
Key Managerial Personnel	11	<ul style="list-style-type: none"> • Updates and awareness related to regulatory changes are provided for the benefit of the Key Managerial Personnel. Topics covered include: Corporate Governance, Companies Act, 2013, SEBI regulations as applicable to the Company • ESG matters • Cyber security risk • Inclusive Growth and Equitable Development through CSR Initiatives • Risk management • Whistle Blower Mechanism 	100%
Employees other than BOD and KMPs	351	<ul style="list-style-type: none"> • Corporate Induction • Sales Training • Grooming Session 	100%
Workers	207	<ul style="list-style-type: none"> • GMP* • HACCP* • CCP* • Personal Hygiene • Corona Prevention • Energy Conservation & Department • Operation • Safety • FOSTAC* 	100%

(GMP–Good Manufacturing Practice, HACCP–Hazardous Analysis and Critical Control Points, CCP–Critical Control Points, FOSTAC–Food Safety Training and Certification)

*As applicable in respective Category

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format:

MONETARY					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NA	NA	NIL	NA	No
Settlement	NA	NA	NIL	NA	No
Compounding fee	NA	NA	NIL	NA	No

NON-MONETARY					
Particulars	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	Has an appeal been preferred? (Yes/No)
Imprisonment	NA	NA	NA	No	No
Punishment	NA	NA	NA	No	No

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
	Not Applicable

4. Anti-corruption or Anti-bribery policy:

Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Yes, Our Company has an anti-corruption or anti-bribery policy. Its main objective is to initiate steps to reduce the bribery and corruption risks to the business of the Company by setting out clear guidelines. The document is applicable to all the employees, Directors, Business Partners/Vendors and Representatives or any other persons/individuals, who may be acting on behalf of our Company. The Policy compels them to be ethical, accountable and transparent in their day-today office work. It also lays down provisions for the board members as well as Key Management Personnel (KMP) for compliance with the code. The Policy can be accessed at <https://www.paragmilkfoods.com/investors.php> under "Policies" tab in "Corporate Governance" section.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

6. Details of complaints with regard to conflict of interest:

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NA	NIL	NA
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NA	NIL	NA

7. Corrective Actions:

Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest	There have been no material fines, penalties or actions taken by regulators, law enforcement agencies, or judicial institutions related to cases of corruption and conflicts of interest, hence this section is not applicable to the Company.
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8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables	27.87	19.92

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	98.07%	98.77%
	b. Number of Trading houses where purchases are made from	20571	20866
	c. Purchases from top 10 Trading houses as % of total purchases from trading houses	34.04%	43.94%
Concentration of Sales	a. Sale to dealers / distributed as % of total sales	96.66%	97.06%
	b. Number of dealers / distributions to whom sales are made	3626	3134
	c. Sales upto 10 dealers / distributors as % of total sales to dealers / distributors	22.64%	23.49%
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	1.93%	1.23%
	b. Sales (Sales to related parties / Total Sales)	0.06%	0.35%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	7.77%	4.46%
	d. Investments (Investments in related parties / Total Investments made)	95.75%	92.67%

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE**A) ESSENTIAL INDICATORS:**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	NIL	NIL	NA
Capex	2.33%	1.89%	<ol style="list-style-type: none"> We have signed 8 MVA Solar Power agreements with Tata solar power for Purchasing, Shareholding & Power delivery. Bio-gas Generation for Power Generation: Presently we are generating 2000 unit/day from biogas which is generated from ETP We are using biogas (generated from ETP) for canteen that replaced 4 LPG cylinder per day, saving of 28000 Kg LPG per Year by using Renewable source. We have replaced 1200 TR refrigeration from Freon to 134 A to reduce Ozone Depletion. The remaining Freon unit will be replaced till Year 2026

2. Sustainable sourcing:

Does the entity have procedures in place for sustainable sourcing? (Yes/No)	Our Company maintains a strong and healthy relationship with its suppliers, vendors, and service providers, integrating them into our growth strategy. Given that milk is highly susceptible to contamination, it is crucial to transport it to the chilling centre within hours of procurement to prevent spoilage. Our Company emphasizes direct milk procurement from farmers and employs state-of-the-art logistics infrastructure to ensure timely delivery to the nearest chilling centre. We have developed comprehensive strategies to implement sustainable practices in the procurement process, ensuring that fresh milk from farmers reaches Millions of consumers swiftly.
If yes, what percentage of inputs were sourced sustainably?	100%

3. Processes in place to reclaim products for reuse, recycle and safe disposal of products at the end of life:

Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

As a dairy-based company, our products are perishable and thus not intended for recycling. However, we take significant steps to manage our environmental impact through effective recycling practices within our production process. Specifically, we recycle effluent water used for washing milk storage tankers and crates, and repurpose it for gardening and other uses.

(a) Plastics (Including Packaging):

We work with certified waste handlers to manage our plastic waste. This waste is processed through Extended Producer Responsibility (EPR) programs, while hazardous plastic waste is disposed of by certified vendors. Other types of waste, such as food waste, are converted into manure.

(b) E-Waste:

As part of our commitment to environmental responsibility, we dispose of electronic waste through authorized IT dismantling, refurbishing, and servicing facilities once they reach the end of their useful life. We obtain disposal and recycling certificates from these e-waste vendors to ensure proper management.

(c) Hazardous Waste:

Batteries are returned to authorized vendors under a buyback policy with original equipment manufacturers (OEMs) when they reach the end of their life cycle. Used oil is handed over to government-authorized registered recyclers for proper disposal.

(d) Other Waste:

For general waste management, we partner with certified waste handlers. We ensure that we receive disposal and recycling certificates from these vendors to verify proper waste processing.

Our Company adheres to the principles of 'Reduce,' 'Recycle,' and 'Recover' to promote environmental sustainability and minimize our ecological footprint.

4. Extended Producer Responsibility (EPR) plan:

Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Our Company is dedicated to circular waste management practices. In June, 2022, we obtained a Brand Owner registration certificate from the Central Pollution Control Board, with Registration Number: BO-15-000-06-AABCP0425G-22. Our waste collection strategy aligns with the Extended Producer Responsibility (EPR) plan that we submitted to the Pollution Control Boards.

PRINCIPLE 3: BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS**A) ESSENTIAL INDICATORS:****1. A) Details of measures for the well-being of employees:**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
Permanent employees											
Male	1087	985	90.62%	189	17.39%	NA	-	1087	100%	0	-
Female	132	61	46.21%	45	34.09%	132	100%	NA	-	0	-
Total	1219	1046	85.81%	234	19.20%	132	10.8%	1087	89.17%	0	-
Other than Permanent employees											
Male	67	67	100%	67	100%	NA	-	67	100%	0	-
Female	57	57	100%	57	100%	57	100%	NA	-	0	-
Total	124	124	100%	124	100%	57	45.96%	67	54.03%	0	-

B) Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
	Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)	
Permanent workers											
Male	538	538	100%	538	100%	NA	-	538	100%	0	-
Female	15	15	100%	15	100%	15	100%	NA	-	0	-
Total	553	553	100%	553	100%	15	2.71%	538	97.29%	0	-
Other than Permanent workers											
Male	131	131	100%	131	100%	NA	-	131	100%	0	-
Female	149	149	100%	149	100%	149	100%	NA	-	0	-
Total	280	280	100%	280	100%	149	53.21%	131	46.79%	0	-

C) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the company	3.4%	3.1%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes	100%	100%	Yes
Gratuity	100%	100%	Yes	100%	100%	Yes
ESI	100%	100%	Yes	100%	100%	Yes
Others please specify	-	-	-	-	-	-

3. Accessibility of workplaces:

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.	Yes, our offices are designed to be fully accessible to all employees, including those with disabilities. We are committed to creating an inclusive work environment and regularly consult with employees to enhance and address the mobility needs of individuals with disabilities. This ongoing dialogue helps us identify areas for improvement and ensure that our facilities and resources effectively support everyone in the workplace.
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4. Equal Opportunity Policy:

Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.	The Human Rights Policy serves as a comprehensive guide to ensure fairness and prevent discrimination in the workplace. It explicitly prohibits any form of discrimination based on race, sex, religion, age, disability, national origin, or other similar factors. This policy underscores our commitment to creating an equitable and respectful environment for all individuals and mandates prompt action against any violations to uphold these principles. Weblink - https://www.paragmilkfoods.com/investors.php under 'Policies' tab in 'Corporate Governance' section.
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5. Return to work and Retention rates of permanent employees and workers that took parental leave:

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	NA	NA
Female	50%	100%	NA	NA
Total	50%	100%	NA	NA

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief:

	Yes/No (if yes, then give details of the mechanism in brief)
Permanent Workers	Yes, our Company has established a comprehensive Whistleblower and Protection Policy that outlines the procedures for reporting any concerns or issues. This policy provides clear guidance on how employees can raise complaints confidentially and without fear of retaliation. It is designed to ensure that any potential misconduct or violations are reported and addressed promptly, while protecting the rights and safety of those who come forward.
Other than Permanent Workers	Yes, Non-permanent workers at our Company's plants are employed through third-party contractors. The responsibility for addressing their grievances lies with these contractors. However, our Company ensures that all contractors adhere to relevant norms and regulations while operating on our premises. We regularly monitor and verify compliance to maintain a safe and fair working environment for all workers involved.

Yes/No (If yes, then give details of the mechanism in brief)	
Permanent Employees	Yes, our Company has implemented a robust Whistleblower and Protection Policy designed to support employees in raising concerns or reporting issues. This policy provides detailed procedures for submitting complaints confidentially and securely. Our aim is to foster a transparent and accountable work environment by ensuring that any concerns are addressed effectively and in accordance with established protocols.
Other than Permanent Employees	Vendors and contractors are bound by the terms outlined in their agreements or contracts with our Company. If they encounter any issues or grievances, they are encouraged to directly approach the relevant Department Head or the HR department. This process ensures that their concerns are addressed promptly and fairly, in accordance with the terms of their agreements and our Company's policies.

7. Membership of employees and worker in association(s) or Unions recognised by the entity:

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/C)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
Total Permanent Employees	1219	0	-	1188	0	-
Male	1087	0	-	1105	0	-
Female	132	0	-	83	0	-
Total Permanent Workers	553	0	-	528	0	-
Male	538	0	-	520	0	-
Female	15	0	-	8	0	-

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Male	1087	1087	100	1087	100	1105	1105	100	1105	100
Female	132	132	100	132	100	83	83	100	83	100
Total	1219	1219	100	1219	100	1188	1188	100	1188	100
Workers										
Male	538	538	100	538	100	520	520	100	520	100
Female	15	15	100	15	100	8	8	100	8	100
Total	553	553	100	553	100	528	528	100	528	100

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	1087	1087	100%	1105	1105	100%
Female	132	132	100%	83	83	100%
Total	1219	1219	100%	1188	1188	100%
Workers						
Male	538	538	100%	520	520	100%
Female	15	15	100%	8	8	100%
Total	553	553	100%	528	528	100%

10. Health and safety management system:

S. No.	Particulars	Response
a)	Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?	<p>Our Company has adopted the Occupational Health and Safety Assessment Series (OHSAS) standards to ensure the health and well-being of our employees. We conduct regular awareness sessions focusing on safety-related issues and provide training in Hazard Analysis Critical Control Point (HACCP) and Total Productive Maintenance to further enhance safety and operational efficiency.</p> <p>In addition to physical health, we are committed to the mental well-being of our employees. We offer various programs and organize discussions with well-being experts and medical practitioners to support mental health.</p> <p>To oversee and manage these efforts, we have established a Health and Safety Committee, supported by a dedicated Health and Safety Manager. This team ensures that our health and safety practices are effectively implemented and continuously improved.</p>
b)	What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?	<p>We systematically identify and assess all work-related hazards associated with our routine activities through Hazard Identification and Risk Assessment (HIRA). Based on this assessment, we implement appropriate control measures to mitigate risks. Our site risk register is regularly reviewed and updated to reflect any changes.</p> <p>In addition, we conduct regular audits either internal or performed by external customers to continuously identify and evaluate work-related hazards. These audits help us address both routine and non-routine risks effectively, ensuring ongoing safety and compliance with established standards.</p>

S. No. Particulars	Response
c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)	<p>Our Company has established well-defined procedures for reporting work-related hazards, which involve both formal and informal methods. Employees can report hazards through structured channels such as incident reports, or via more informal means like direct verbal communication with their supervisors or designated safety officers.</p> <p>Workers receive training on identifying and reporting hazards effectively to ensure they understand how to use these reporting mechanisms.</p> <p>Furthermore, we conduct regular safety audits and ongoing training sessions to reinforce awareness and compliance with these reporting processes, ensuring that all employees are well-informed and adhere to safety protocols.</p>
d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)	<p>Each of our locations has pursued a range of certifications and adheres to the Group's policies on employee safety and well-being. These certifications demonstrate our commitment to meeting industry standards and best practices in ensuring a safe and healthy work environment. By following these policies, we ensure that all locations uphold a high level of safety and prioritize the well-being of our employees consistently across the organization.</p>

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one Million-person hours worked)	Employees	1.83	0
	Workers	4.40	0
Total recordable work-related injuries	Employees	0	0
	Workers	1	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

12. Measures to ensure a safe and healthy workplace:

Describe the measures taken by the entity to ensure a safe and healthy workplace.	<p>To maintain a safe and healthy workplace, our Company has implemented a comprehensive set of measures:</p> <ol style="list-style-type: none"> 1. Safety Audits and Risk Assessments: We conduct regular safety audits and risk assessments to identify and mitigate potential hazards effectively. 2. Safety Training and Personal Protective Equipment: Employees receive thorough safety training and are provided with the necessary personal protective equipment to ensure their safety while performing their duties. 3. Reporting Protocols and Feedback Mechanisms: We have established clear protocols for reporting and addressing work-related hazards. Additionally, we provide mechanisms for employees to give feedback and suggest improvements. 4. Health Checks and Medical Screenings: Regular health checks and medical screenings are offered to workers to detect and address any health issues promptly. 5. Promoting Safety Culture: We foster a strong safety culture by actively promoting safety and health awareness among employees, ensuring that safety is a core value in our workplace. <p>These measures collectively contribute to creating a safe, supportive, and health-conscious working environment.</p>
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13. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health & Safety	NIL	NIL	NIL	NIL	NIL	NIL

14. Assessments for the year:

	% Of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

15. Corrective Actions:

Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.	There were no incidents related to safety during the year. However, the Company has been following standard operating procedures to comply with state/local level regulations and ensure safety and hygiene protocols.
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PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS



A) ESSENTIAL INDICATORS:

1. Identification of stakeholders group:

Describe the processes for identifying key stakeholder groups of the entity Our Company has developed a Stakeholder Engagement Framework for identification of Stakeholders. In line with this framework, the stakeholder identification process at Parag comprises of the following phases:

- Analysis of business processes and identification of all interested, and impacted groups for each process.
- Classification of stakeholders in homogenous categories (according to relevance to the Company or to the stake they hold).
- Identification of priority groups within each category.

The above process helps in identification of stakeholders,

- who are directly or indirectly dependent on our company's activities, products or services and associated performance, or on whom Parag is dependent in order to operate; or
- to whom our Company has, or in the future may have, legal, commercial, operational, or ethical/moral responsibilities or
- who can influence or have impact on our company's strategic or operational decision-making.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group:

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> • Annual General Meeting • Shareholder meets • Email • Stock Exchange (SE) Intimations • Investor/analysts meet • Conference calls • Annual report • quarterly results • Media releases and • Company/SE website • Notice • Newspaper advertisements • One-on-one interaction 	Quarterly, Half yearly, Annually and event based	<ul style="list-style-type: none"> • Share price appreciation, dividends, profitability and financial stability • Robust ESG practices climate change risks, cyber risks, growth prospects • Queries/suggestions/assurance/complaints etc • Understanding shareholder expectations
Government/Regulatory authorities	No	<ul style="list-style-type: none"> • E-mails and letters • Conferences • Industry forums • Regulatory filings • Meetings with officials • Representations 	On periodical basis as provided under relevant legislations	In relation to Compliances with applicable laws, Industry concerns, changes in regulatory frameworks, skill and capacity building, employment.
Customers	No	<ul style="list-style-type: none"> • Partnering with them in their journey from products to services • One-on-one interaction • Customer satisfaction survey • Feedback surveys and calls post redressal of complaints. Customer service helpline • Email, Telephone and physical and VC Meetings 	Fortnightly	<ul style="list-style-type: none"> • Queries/suggestions/ assurance / complaints etc. • Understanding the customers' requirements.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	<ul style="list-style-type: none"> Personalised learning and development programmes Regular performance review and feedback One-on-one engagement, townhall meetings Employee engagement surveys Programmes catered around overall wellbeing Intranet Portal Emails, Notice Board, Meetings 	Daily	Hearing of all employee concerns, conducting meetings, People voice meeting, Suggestion Schemes, Conducting enquiries
Bankers	No	<ul style="list-style-type: none"> Periodical Meetings Periodical Reports Emails 	Requirement basis	<ul style="list-style-type: none"> Understand the banking compliance Maintaining rapport with our bankers Banking/Credit facilities.
Community	No	<ul style="list-style-type: none"> Collaboration with non-governmental organisations (NGOs) Field visits CSR and sustainability initiatives. Skill development One-on-one interactions 	Periodically	Integrated water management, clean water, Natural Resource Management, community development, livelihood support, disaster relief, Education, Skill development.
Waste Collection Agents	No	<ul style="list-style-type: none"> Emails Need based meetings 	Requirement basis	Compliance to legal requirements, to carry out sound management of the waste generated by the Company

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Subsidiaries	No	<ul style="list-style-type: none"> • Emails • Need based meetings • Periodical Reports 	Quarterly and Requirement basis	Discussions on major Investment/ expansion plan, sharing of performance Data, facilitate decision making on major topics
Peers	No	<ul style="list-style-type: none"> • Industry events and conferences • Trade associations and industry groups • Market research and analysis • Benchmarking studies 	Requirement basis	To provide considerations and share insights on global developments
Board of Directors	No	<ul style="list-style-type: none"> • Board Meetings – Engage with Board members through regular board meetings, either in person or virtually, to discuss company performance, strategy, and challenges. Meetings usually happen on a regular basis, such as quarterly. • Board Committees – Engage with Board committee members, such as Audit, CSR, and Risk Management committees, for more focused updates and discussions on specific areas of the company's operations. • Board Reports – Provide regular reports to the Board on company performance and progress towards strategic goals. Reports may include financial updates, key performance indicators, or other relevant information. • Informal Updates – Provide informal updates to Board members on an ongoing basis through channels such as emails, phone calls, or meetings outside of regular Board meetings. 	Quarterly and on any event/need basis	Company's business operations, planning, strategies etc

PRINCIPLE 5: BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS



A) ESSENTIAL INDICATORS:

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	1219	1219	100	1188	1188	100
Other than permanent	124	124	100	145	145	100
Total Employees	1343	1343	100	1333	1333	100
Workers						
Permanent	553	553	100	528	528	100
Other than permanent	280	280	100	741	741	100
Total Workers	833	833	100	1269	1269	100

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent	1219	0	-	1219	100	1188	0	-	1188	100
Male	1087	0	-	1087	100	1105	0	-	1105	100
Female	132	0	-	132	100	83	0	-	83	100
Other than Permanent	124	0	-	124	100	145	0	-	145	100
Male	67	0	-	67	100	83	0	-	83	100
Female	57	0	-	57	100	62	0	-	62	100
Workers										
Permanent	553	0	-	553	100	528	0	-	528	100
Male	538	0	-	538	100	520	0	-	520	100
Female	15	0	-	15	100	8	0	-	8	100
Other than Permanent	280	0	-	280	100	741	0	-	741	100
Male	131	0	-	131	100	514	0	-	514	100
Female	149	0	-	149	100	227	0	-	227	100

3. Details of remuneration/salary/wages

a. Median remuneration / wages:

Category	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (₹ in Million)	Number	Median remuneration/ salary/ wages of respective category (₹ in Million)
Board of Directors (BoD)	6	3.60	2	11.15
Key Managerial Personnel	1	2.50	0	-
Employees other than BoD and KMP	1087	0.41	132	0.30
Workers	538	0.23	15	0.22

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023 -24 Current Financial Year	FY 2022 -23 Previous Financial Year (Approx.)
Gross wages paid to females as % of total wages*	7.28%	4.30%

*Wages encompass the total amount paid to both employees and workers.

4. Focal point for addressing human rights:

Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)	Yes, the Company has established dedicated teams within its Human Resources Department at the various operating facilities, which are tasked with addressing any human rights concerns that may arise.
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5. Internal mechanisms in place to redress grievances related to human rights issues:

Describe the internal mechanisms in place to redress grievances related to human rights issues.	<p>Our Company is dedicated to addressing grievances related to human rights issues through a variety of internal mechanisms designed to ensure fairness and responsiveness. Key elements of our approach include:</p> <ul style="list-style-type: none"> • Confidential Complaint System: We have implemented a confidential and accessible system that allows individuals to raise concerns about human rights issues. Each complaint is thoroughly investigated by a dedicated team, and appropriate remedial actions are taken as needed. • Training and Resources: We provide comprehensive training and resources on human rights to all employees, fostering a culture of respect and inclusion throughout the organization. • Regular Assessments and Audits: To ensure compliance with our human rights policies and identify areas for improvement, we conduct regular assessments and audits. • Stakeholder Communication: We maintain open lines of communication with stakeholders, including local communities, civil society organizations, and relevant government agencies, to ensure grievances are addressed in a timely and effective manner.
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6. Number of Complaints on the following made by employees and workers:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	NA	NIL	NIL	NA
Discrimination at workplace	NIL	NIL	NA	NIL	NIL	NA
Child Labour	NIL	NIL	NA	NIL	NIL	NA
Forced Labour/ Involuntary Labour	NIL	NIL	NA	NIL	NIL	NA
Wages	NIL	NIL	NA	NIL	NIL	NA
Other human rights related issues	NIL	NIL	NA	NIL	NIL	NA

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	Nil	Nil
Complaints on POSH as % of female employees / workers	NA	NA
Complaints on POSH upheld	NA	NA

8. Prevention of discrimination and harassment cases:

Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases	<p>Our Company is dedicated to maintaining a workplace that is free from harassment, including sexual harassment, and upholds a zero-tolerance policy for such unacceptable behaviour. We have established several key measures to support this commitment:</p> <ul style="list-style-type: none"> • Encouragement to Report: We actively encourage employees to report any harassment concerns and are responsive to complaints regarding harassment or other unwelcome or offensive behaviour. • Committees for Handling Complaints: Specialized committees are in place at each location to investigate complaints of sexual harassment and to recommend appropriate actions when necessary. • Transparency and Reporting: Details regarding sexual harassment complaints and their resolution are included in our Annual Report, ensuring transparency in our processes. • Regular Awareness and Training: We conduct ongoing awareness and training sessions to educate employees about sexual harassment issues and the available redressal mechanisms, ensuring they are well-informed and empowered to address any concerns.
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9. Human rights requirements forming part of your business agreements and contracts:

Do human rights requirements form part of your business agreements and contracts? (Yes/No)	Yes. Our Company ensures that its suppliers/contractors comply with the law of the land regarding human rights by getting such clauses incorporated in their respective contracts/agreements.
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10. Assessments for the year:

Category	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	None

11. Corrective Actions to address significant risks / concerns arising from the assessments:

Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Our Company takes its commitment to human rights seriously and has established a robust Policy to address significant risks and concerns related to child labour, forced labour, sexual harassment, discrimination, and wages. This includes regular assessments to identify any potential violations and regular training for employees to promote awareness and prevent such incidents. In the event of any violations being identified, the company takes prompt and effective corrective action, which may include suspension of work, termination of contracts, or even legal action, as appropriate. Additionally, the company continuously reviews and strengthens its policies and procedures to ensure that human rights are upheld across all operations.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT**A) ESSENTIAL INDICATORS:****1. Details of total energy consumption (in Mega Joules) and energy intensity, in the following format:**

	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	26481741	NA
Total fuel consumption (B)	8276360	7827440
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	34758101	7827440
From non-renewable sources		
Total electricity consumption (D)	132553732	151838039
Total fuel consumption (E)	964874105	778367445
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	1097427836	938032924
Total energy consumed (A+B+C+D+E+F)	1132185937	938032924

	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	0.03	0.04
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)*	0.001	0.002
Energy intensity in terms of physical output	1.97	1.96
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 and 2023 by IMF for India which is 22.401 & 22.167 respectively.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The assessment has been carried out in-house by the Company.

2. Designated Consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India:

No, we do not have any sites/facilities as Designated Consumers (DCs) under the PAT scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	42819	27497
(ii) Groundwater	199312	252429
(iii) Third party water	113116	44134
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	355247	324060
Total volume of water consumption (in kilolitres)	355247	324060
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.000011	0.000015
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)*	0.00000051	0.00000072
Water intensity in terms of physical output	0.00062	0.00067
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 and 2023 by IMF for India which is 22.401 & 22.167 respectively.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The assessment has been carried out in-house by the Company.

4. Provide the following details related to water discharged:

	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface Water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – Secondary level	468363	512629
Total water discharged (in kilolitres)	468363	512629

5. Mechanism for Zero Liquid Discharge:

Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Our Company is committed to reducing our environmental impact and preserving our planet for future generations. That's why we have implemented a zero liquid discharge program, aimed at eliminating all liquid waste from our operations. Our program covers all aspects of our operations and is designed to minimize the release of harmful chemicals and other pollutants into the environment. We have invested in state-of-the-art treatment and discharge systems, and we are constantly seeking new ways to improve our processes and reduce our environmental impact. During our production process, we recycle effluent water used in our production facilities for washing milk storage tankers and crates, gardening etc.

We believe that this is a critical component of our commitment to sustainability, and we are proud of the progress we have made in this area. We will continue to prioritize zero liquid discharge and to seek out opportunities to further reduce our environmental impact.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
NOx	µg/m ³	38	54.5
SOx	µg/m ³	40.53	56
Particulate matter (PM)	µg/m ³	44.77	44.85
Persistent organic pollutants (POP)	-	NA	NA
Volatile organic compounds (VOC)	-	NA	NA
Hazardous air pollutants (HAP)	-	NA	NA
Others – please specify	-	NA	NA

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The assessment has been carried out in-house by the Company.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	115254	96641
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	34979	40068
Total Scope 1 and Scope 2 emissions per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent	0.0000048	0.0000067
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 emissions / Revenue from operations adjusted for PPP)*	Metric tonnes of CO ₂ equivalent	0.00000021	0.00000030
Total Scope 1 and Scope 2 emission intensity in terms of physical output	Metric tonnes of CO ₂ equivalent	0.00026	0.00028
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Metric tonnes of CO ₂ equivalent	-	-

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 and 2023 by IMF for India which is 22.401 & 22.167 respectively.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The assessment has been carried out in-house by the Company.

8. Project related to reducing Green House Gas emission:

Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

As Part of Its initiative to reduce the GHG emissions, the company has implemented following concepts in various sites to reduce energy consumption and minimise the carbon footprint.

- We have signed 8 MVA Solar Power agreements with Tata solar power for Purchasing, Shareholding & Power delivery.
- Bio-gas Generation for Power Generation: Presently we are generating 2000 unit/day from biogas which is generated from ETP
- We are using biogas (generated from ETP) for canteen that replaced 7 LPG cylinder per day, saving of 49,000 Kg LPG per Year by using Renewable source.
- We have replaced 1200 TR refrigeration from Freon to 134 A to reduce Ozone Depletion, remaining Freon unit will be replaced till Year 2026.
- We have replaced 12 TR refrigeration from R22 to R407C to reduce Ozone Depletion, remaining Freon unit will be replaced till Year 2026.
- We are using wood briquettes for boilers which results in reducing the coal consumption by 6 tons.
- Biogas generation (from cow dung) & utilisation for power generation at cow farm from which we are generating 1800 unit / Day from biogas.
- Parag Milk Foods Limited and Irisoil Agro Tech Pvt. Ltd is implementing an integrated renewable energy and sustainable agriculture scheme for Parag milk producers. Under this scheme, it is providing household level biogas plant, slurry filtration unit, vermicomposting bag and ozola bag. Till date about 250 milk producers have been given complete units as above free of cost. Due to this scheme, the beneficiary milk producers will not have to purchase gas cylinders throughout the year.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	65.43 MT	64.73 MT
E-waste (B)	Nil	1.99 MT
Bio-medical waste (C)	46 Grams	20 Grams
Construction and demolition waste (D)	NIL	NIL
Battery waste (E)	1 Nos	Nil
Radioactive waste (F)	Nil	Nil
Other Hazardous waste. Please specify, if any. (G)	Scrap used oil – 8.75 KL	Used or spent oil – 2.1 KL
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	ETP Sludge – 992 MT Fly Ash – 1853.8 MT	ETP Sludge – 735 MT Fly Ash – 1140 MT
Total (A + B + C + D + E + F + G + H)	2920.98	1943.82
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000094	0.000000095
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)*	0.000000042	0.000000043
Waste intensity in terms of physical output	0.0000051	0.0000040
Water intensity (optional) – the relevant metric may be selected by the entity	-	-

Parameter	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste:		
(i) Recycled	65.43 MT	64.73 MT
(ii) Re-used	ETP sludge 992 MT Fly ash 1853.8 MT	ETP sludge 735 MT Fly ash 1140 MT
(iii) Other recovery operations	0	0
Total	2911.23 MT	1939.73 MT
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste:		
(i) Incineration	100 % incinerated 46 grams of Biomedical waste	100 % Incineration 20 grams og Biomedical waste
(ii) Landfilling	0	0
(iii) Other disposal operations	Scrap used oil- 8.75 KL	Used or spent oil- 2.1 KL
Total	i) 100 % incinerated 46 grams of Biomedical waste iii) Scrap used oil- 8.75 KL	i) 100 % incinerated 20 grams of Biomedical waste iii) Used or spent oil- 2.1 KL

* The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2024 and 2023 by IMF for India which is 22.401 & 22.167 respectively.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

The assessment has been carried out in-house by the Company.

10. Waste management practices adopted in the establishment:

Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.	Our Company ensures responsible waste management practices involving 100% recycling of plastic waste as EPR, 100% Fly ash use, ETP treated water usage for Gardening & Agriculture, Safe disposal of waste across locations. Biogas generated during Effluent treatment (within the plant) is used for Cooking & Electricity generation.
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11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	The company does not have any operations/offices in/around ecologically sensitive areas.		

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Not applicable, Environmental impact assessment of projects were not required to be undertaken by the Company during the current financial year.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. We are compliant with the applicable environmental law / regulations / guidelines in India.

PRINCIPLE 7: BUSINESSES, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**A) ESSENTIAL INDICATORS:****1. A) Affiliations with trade and industry chambers/ associations:**

Number of affiliations with trade and industry chambers/ associations	3
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B) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1.	Federation of Indian export organization (FIEO).	National
2.	Confederation of Indian Industries (CII)	National
3.	Indian Dairy Association	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities:

Name of authority	Brief of the case	Corrective action taken
	The Company has not engaged in any anti-competitive conduct.	

PRINCIPLE 8: BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT**A) ESSENTIAL INDICATORS:****1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
This section is not applicable to the Company.						

3. Community redressal mechanism:

Describe the mechanisms to receive and redress grievances of the community.	Grievance Redressal Mechanism (GRM) is an important aspect of assuring our strong relation with the community as it provides us social license to operate and execute the community initiative projects. As part of our grievance redressal mechanism, we have deployed our local employees who regularly visit the community and interact with people to gauge and address community concerns. Based on these interactions, we have not encountered any specific grievances from the community at present.
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4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Category	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	5.9%	5.1%
Directly from within India	98.2%	98.2%
Import Purchase	0.2%	0.2%

- Predominant portion of the Company's raw material is raw milk, which is procured from over two lakh farmers and is therefore 100% sustainable sourcing.
- Our Company upholds a healthy relationship with its suppliers, vendors and other service providers and the business practices of the Company include them in its growth strategy. Our Company endeavours to integrate social, ethical and environmental factors in its operating / strategic decisions across its entire supply chain. Moreover, the Company strives to reduce the distance travelled overall by its products, thereby reducing emissions on account of transportation.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost:

Location	FY 2023 -24 (Current Financial Year)	FY 2022 -23 (Previous Financial Year)
Rural	40.17	40.62
Semi-urban	-	-
Urban	-	-
Metropolitan	59.83	59.38

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER**A) ESSENTIAL INDICATORS:****1. Consumer Complaints and feedback:**

Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

- We are dedicated to providing our customers with the highest level of service and products. We understand that, at times, things may not go as planned, and that is why we take consumer complaints very seriously. Our commitment to listening to and addressing the concerns of our customers is unwavering.
- We have established a robust system for receiving and responding to consumer complaints, ensuring that all feedback is heard and acted upon in a timely manner. Our dedicated customer service team is trained to handle any situation with professionalism and empathy, and they work closely with our product teams to find solutions to any issues that may arise.
- We believe that every customer deserves to have their voice heard, and we are committed to providing them with the support and attention they deserve. We are proud to have built a reputation for exceptional customer service, and we will continue to prioritize the satisfaction of our customers in all that we do.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

Category	As a percentage to total turnover*
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	100%
Recycling and/or safe disposal	100%

* As applicable in each category

3. Number of consumer complaints in respect of the following:

Location	FY 2023 -24 (Current Financial Year)		Remarks	FY 2022 -23 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	0	0	-	0	0	-

4. Details of instances of product recalls on account of safety issues:

Particulars	Number	Reasons for recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Cyber security policy:

Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has in place a Cyber Security Policy which provides for information security for protection of the Company's data, applications, networks and computer systems from unauthorized access, alteration and destruction. The Policy also provides the guidelines to protect data integrity based on data classification and secure the Company's information systems.

Our Company's Cyber Security Policy defines the framework/policy on cyber security and risks related to data privacy. Our Company's Privacy Policy is part of Information Management Process and is published on our website which can be accessed at <https://www.paragmilkfoods.com/investors.php> under "Policies" tab in "Corporate Governance" section.

6. Corrective Actions:

Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

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7. Provide the following information relating to data breaches:

- a. Number of instances of data breaches - Nil
- b. Percentage of data breaches involving personally identifiable information of customers - NA
- c. Impact, if any, of the data breaches - NA

INDEPENDENT AUDITOR'S REPORT

To the Members of Parag Milk Foods Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Parag Milk Foods Limited** (the 'Company'), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of material and other accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and its profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (the 'ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1.	Inventories (Refer Note 9 to the standalone financial statements)	Our audit procedures included and were not limited to the following: <ol style="list-style-type: none"> i. Evaluation of the design and testing of the implementation of internal controls relating to physical inventory counts on a test basis; ii. Performance of test of controls over verification of documentary evidence of controls including the calculation of shrinkages; and iii. Performance of test of details through sample selection of stores as part of the inventory verification program, including verification of inventory from floor to documentary evidence and <i>vice versa</i> and verification of shrinkage.
2.	Valuation and existence of inventories (Refer Note 9 to the standalone financial statements)	In order to ascertain the existence of inventories, we assessed and reviewed the controls implemented and executed by the Company to ensure the existence of inventories. We observed the periodic physical inventory counts. We also performed analytical procedures as well as tests of details of individual transactions.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
	<p>The inventories of the Company amounted to ₹5,982.62 Million.</p> <p>Our audit of inventories was focused around the risk that there would be a material misstatement relating to the existence of inventories and that the valuation of inventories which involves judgement of the management.</p> <p>According to the standalone financial statements' accounting principles inventories are measured at the lower of cost or net realizable value. The company has procedures for identifying risk for obsolescence inventories based on estimated usage and shelf life of products.</p>	<p>As for the valuation of inventories, we assessed and reviewed the controls relating to valuation. For materials and supplies, we compared the price recognized in the balance sheet to the latest purchase invoice, to ensure that the inventory of materials and supplies is valued in accordance with the accounting policies applied.</p> <p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <p>Assessing the compliance of Company's accounting policies over inventory with applicable accounting standards.</p> <p>Assessing the inventory valuation processes and practices. On major locations we tested the effectiveness of the key controls.</p> <p>Assessing the analyses and assessment made by management with respect to slow moving and obsolete stock.</p> <p>We assessed the adequacy of the company's disclosures related to inventories.</p>
<p>3.</p>	<p>Valuation of trade receivables (Refer Note 10 to the standalone financial statements)</p>	
	<p>As at March 31, 2024, the trade receivables balance excluding provisions included in Note 10 were ₹2,352.82 Million.</p> <p>We have identified valuation of trade receivables as a key audit matter on account of the significant management judgment involved with respect to the recoverability of trade receivables and the provisions for impairment of receivables, and the importance of cash collection with reference to the working capital management of the business.</p>	<p>Our audit procedures included but were not limited to the following:</p> <p>(a) Understanding the trade receivables process with regards to valuation and evaluation of controls designed and implemented by the management;</p> <p>(b) Assessment of the appropriateness of the Company's credit risk policy and obtaining an understanding on management of credit risk;</p> <p>(c) Control testing:</p> <ul style="list-style-type: none"> • Obtaining an understanding on credit approvals, establishing credit limits and continuous monitoring of creditworthiness of customers to which the Company grants the credit in normal course of business. • Obtaining understanding on how the Company establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables. <p>(d) Tests of details:</p> <ul style="list-style-type: none"> • We have checked the ageing analysis, on a sample basis and subsequent receipt of the trade receivables, to the source documents, including bank statements; • We have verified the underlying supporting documents like acceptance of invoices along with various correspondence carried out by the management of the Company with trade receivable for realization of money;

Sr. Key Audit Matters No.	How our audit addressed the key audit matters
	<ul style="list-style-type: none"> • We have verified open invoices duly accepted by customers in order to ensure existence of trade receivables; • We have verified the appropriateness of judgments regarding provisions for trade receivables and assessment as to whether these provisions were calculated in accordance with the Company's provisioning policies. <p>We have conducted discussion with management as to the recoverability of the old outstanding and corroborating management's explanations with underlying documentation and correspondence with the customers.</p>
<p>4. Revenue recognition (Refer Note 25 to the standalone financial statements)</p> <p>The revenue of the Company consists primarily of sale of food products that are sold through distributors, modern trade and direct sale channels amongst others. Revenue is recognized when the control of products is transferred to the customer and there is no unfulfilled obligation.</p> <p>Owing to the volume of sales transactions, size of the distribution network and varied terms of contracts with customers, revenue is determined to be an area involving significant risk in line with the requirements of the Standards on Auditing and hence, requiring significant auditor attention. The management is required to make certain key judgements around determination of transaction price in accordance with the requirements of Ind AS 115, <i>Revenue from Contracts with Customers</i>, on account of consideration payable to customers in the form of various discount schemes, returns and rebates. The Company and its external stakeholders focus on revenue as a key performance indicator and this could create an incentive for revenue to be overstated or recognised before control has been transferred. Considering the aforesaid significance to our audit and the external stakeholders, revenue recognition has been considered as a key audit matter for the current year's audit.</p>	<p>Our key audit procedures around revenue recognition included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • Assessed the appropriateness of the revenue recognition accounting policies of the Company including those relating to rebates and trade discounts, by evaluating compliance with the applicable accounting standards; • Evaluated the design and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general and specific information technology controls; • Performed substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable; • Understood and evaluated the Company's process for recording of the accruals for discounts and rebates and ongoing incentive schemes and on a test basis, verified the year-end provisions made in respect of such schemes; • Performed analytical review procedures on revenue recognised during the year to identify any unusual and/or material variances; • Performed confirmation and alternative procedures on selected invoices outstanding as at the year-end; • Tested a select sample of revenue transactions recorded before the financial year end date to determine whether the revenue has been recognised in the appropriate financial period; • Tested a sample of manual journal entries posted to revenue ledgers to identify any unusual items; and • Evaluated the appropriateness and adequacy of disclosures in the consolidated financial statements in respect of revenue recognition in accordance with the applicable requirements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report, Corporate Governance Report and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order'), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the **Annexure 'A'** a Statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the Standalone Balance Sheet, the Standalone Statement of Profit and Loss, the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
 - (e) on the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'B'**;
 - (g) with respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. Further, the Ministry of Corporate Affairs has not prescribed other details under aforesaid section which are required to be commented upon by us; and
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us;
 - (i) the Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – (Refer Note 41 to the standalone financial statements);
 - (ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - (iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - (iv) (a) the management of the Company has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, during the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (the 'Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (the 'Ultimate Beneficiaries') or

provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) the management of the Company has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the standalone financial statements, during the year, no funds have been received by the Company from any person or entity, including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) based on such audit procedures, we have considered reasonable and appropriate in the circumstances that nothing has come to our notice that has caused us to believe that the representations under paragraph (a) and (b) above, contain any material misstatement.
- (v) As stated in note 15 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act, to the extent it applies to declaration of dividend.

(vi) Based on our examination which included test checks, except for the instances mentioned below, the Company has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:

- (a) The feature of recording audit trail (edit log) facility was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll, consolidation process and certain noneditable fields/tables of the accounting software used for maintaining general ledger.
- (b) The feature of recording audit trail (edit log) facility was not enabled at the application layer of the accounting softwares relating to revenue, trade receivables and general ledger.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable from 1st April, 2023 reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

SHARP & TANNAN

Chartered Accountants

Firm's Registration No.109982W

by the hand of

Edwin Paul Augustine

Partner

Membership No. 043385

UDIN: 24043385BKDZVN2175

Mumbai, May 18, 2024

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation of property, plant and equipment, *except for certain property, plant and equipment where quantitative details are not available since inception*; and
- (B) The Company is maintaining proper records showing full particulars of intangible assets;
- (b) During the year, the property, plant and equipment of the Company have been physically verified by the management, except as stated in Paragraph (i)(a)(A) above and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and the nature of its assets;
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee), disclosed in the standalone financial statements are held in the name of the Company;
- (d) The Company has not revalued its property, plant and equipment (including Right-of- Use assets) and intangible assets during the year. Accordingly, the Paragraph 3(i)(d) of the Order is not applicable to the Company; and
- (e) The Company is not holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder. Accordingly, Paragraph 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year, except for the stocks lying with third parties. For stocks lying with third parties at the year end, written confirmations have been obtained by the management. In our opinion, the coverage and procedure of such verification by the management is appropriate. No discrepancies were noticed on physical verification carried out during the year; and
- (b) The Company has been sanctioned working capital limits in excess of ₹five crore in aggregate from banks / financial institutions during the year on the basis of security of current assets. The Company has filed monthly returns / statements with such banks / financial institutions which are in agreement with the books of account. (Refer note 34 to the standalone financial statements).
- Additionally, the Company has issued secured foreign currency convertible bonds (FCCB) and unsecured non-convertible debentures (NCDs) to the International Finance Corporation (IFC) which is to be utilised towards working capital requirements. The Company is not required to file returns or statements with IFC.
- (iii) (a) During the year, 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 partnerships. However, in the previous year 2022-23, the Company had granted loans or advances in the nature of loans to a subsidiary and one other party:
- (A) the aggregate amount of ₹300 Million which was paid during the previous year 2022-23, is converted into equity shares of the subsidiary during the year, and balance outstanding at the balance sheet date is amounting to ₹Nil with respect to such loans or advances to subsidiary; and
- (B) the aggregate amount of ₹30 Million was paid during the previous year 2022-23, and balance outstanding at the balance sheet date amounts to ₹29.07 Million with respect to such loans or advances to other party;
- (b) The aforesaid loans or advances granted are not prejudicial to the interest of the Company;
- (c) In respect of the aforesaid loans and advances in the nature of loans, there are no stipulations as to repayment of principal amounts and the payment of interest. Accordingly, we are unable to comment upon the regularity of repayment of principle amounts and the payment of interest;
- (d) In view of the paragraph (c) above, and since there are no stipulations as to repayment of principal amounts and the payment of interest, we are unable to comment on whether the amount is overdue;

- (e) In view of Paragraphs (c) and (d) above, no amount is overdue during the year; and
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) The Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) The maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and rules thereunder. We have broadly reviewed such records and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) The Company is generally regular in depositing the undisputed statutory dues including goods and services tax (GST), provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues to the appropriate authorities.
- (b) The statutory dues referred to (a) above, which have not been deposited on account of any dispute, the amounts involved and the forum where the dispute is pending are as under:

Name of the Statute	Nature of the dues	Amount ₹ Million	Period to which the amount relates	Forum where dispute is pending
The Central Goods and Services Tax Act, 2017	Tax and Interest	37.79	FY 2017-18	Commissioner of GST and Central Excise
The Central Goods and Services Tax Act, 2017	Tax and Interest	3.51	FY 2018-19	Commissioner of GST and Central Excise
Income Tax Act, 1961	Tax and Interest	3.32	AY 2013-14	Appeal is filed before Commissioner (Appeals) on 28/04/2022
The Income Tax Act, 1961	Tax and Interest	0.08	AY 2014-15	Online response is filed
The Income Tax Act, 1961	Tax and Interest	58.20	AY 2016-17	Appeal is filed before Commissioner (Appeals) on 18/02/2023
Income Tax Act, 1961	Tax and Interest	24.51	AY 2016-17	ITAT has given relief of ₹53,19,945/-
Income Tax Act, 1961	Tax and Interest	3.93	AY 2016-17	Appeal is filed before Commissioner (Appeals) on 04/03/2024
Income Tax Act, 1961	Tax and Interest	82.85	AY 2016-17	Appeal to be preferred before Commissioner (Appeals)
The Income Tax Act, 1961	Tax and Interest	34.62	AY 2018-19	Appeal is filed before Commissioner (Appeals) on 09/02/2023.
Income Tax Act, 1961	Tax and Interest	1,015.33	AY 2019-20	Appeal to be preferred before Commissioner (Appeals)
Income Tax Act, 1961	Tax and Interest	11.96	AY 2020-21	Appeal is filed before Commissioner (Appeals) on 20/04/2022
Maharashtra Value Added Tax Act, 2002	Duty and Penalty	32.41	FY 2009-10	Joint Commissioner of Sales Tax (App)-1
Central Sales Tax Act, 1956	Duty and Penalty	7.33	FY 2009-10	Joint Commissioner of Sales Tax (App)-1
Income Tax Act, 1961	Tax and Interest	712.10	AY 2020-21	Appeal to be preferred before Commissioner (Appeals)
Income Tax Act, 1961	Tax and Interest	334.06	AY 2021-22	Appeal Filed on 24/01/2023 with CIT(A)
Income Tax Act, 1961	Tax and Interest	6.67	AY 2021-22	Appeal is filed before Commissioner (Appeals) on 12/08/2023
Income Tax Act, 1961	Tax and Interest	559.18	AY 2022-23	Appeal to be preferred before Commissioner (Appeals)

- (viii) There are no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, Paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender;
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority;
- (c) The Company has, *prima facie*, not obtained money by way of term loans during the year;
- (d) In view of the above point (c), since the Company has not obtained money by way of term loans during the year, reporting under this Clause does not arise;
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary as defined under the Act. The Company does not have a joint venture; and
- (f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiary as defined under the Act. The Company does not have a joint venture.
- (x) (a) The Company has not raised monies by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, Paragraph 3(x)(a) of the Order is not applicable to the Company; and
- (b) The Company has made preferential allotment of shares and convertible share warrants during the year and in our opinion, the requirements of Sections 42 and 62 of the Act have been complied with and the funds raised have been used for the purposes for which they were raised. Other than the above, the Company has not made preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- (xi) (a) We have neither come across any instance of fraud by the Company nor any fraud on the Company has been noticed or reported during the year, nor have we been informed of any such instance by the management;
- (b) No report under Section 143(12) of the Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report; and
- (c) There is no whistle-blower complaint received by the Company during the year and upto the date of this report.
- (xii) The Company is not a Nidhi Company. Accordingly, Paragraph 3(xii) of the Order is not applicable.
- (xiii) All transactions entered into by the Company with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable and the details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) The Company has adequate internal audit system commensurate with the size and the nature of its business; and
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date and made available to us, in determining the nature, timing and extent of our audit procedures.
- (xv) According to the information and explanations given to us and in our opinion, the Company, during the year, has not entered into any non-cash transactions with directors or persons connected with its directors and accordingly, the provisions of Section 192 of the Act is not applicable. Accordingly, Paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the Paragraph 3(xvi)(a) of the Order is not applicable to the Company;
- (b) The Company has not conducted Non-Banking Financial or Housing Finance activity. Accordingly, the Paragraph 3(xvi)(b) of the Order is not applicable to the Company;
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India; and
- (d) The Group to which the Company belongs has no CIC as part of the Group.
- (xvii) The Company has not incurred cash losses for the current financial year as well as the immediately preceding financial year.

(xviii) There has been no resignation of statutory auditors during the year. Accordingly, Paragraph 3(xviii) of the Order is not applicable to the Company.

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing as at the date of balance sheet

as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We, further state that our reporting is based on the facts upto the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) The Company is not required to contribute towards Corporate Social Responsibility during the year. Accordingly, Paragraphs 3(xx)(a) and (b) of the Order are not applicable to the Company.

Mumbai, May 18, 2024

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

Edwin Paul Augustine
Partner
Membership No. 043385
UDIN: 24043385BKDZVN2175

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

We have audited the internal financial controls over financial reporting of **Parag Milk Foods Limited** (the 'Company'), as of March 31, 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting, (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining

an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

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

Edwin Paul Augustine
Partner

Membership No. 043385
UDIN: 24043385BKDZVN2175

Mumbai, May 18, 2024

STANDALONE BALANCE SHEET

AS AT MARCH 31, 2024

₹ Million

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
(i) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	2,918.91	2,984.19
(b) Capital work-in-progress	4A	96.67	86.44
(c) Other intangible assets	5	8.94	1.94
(d) Right-of-Use assets	5A	157.95	127.80
(e) Financial assets			
(i) Investments	6	1,088.52	671.87
(ii) Loans	7	29.07	315.34
(iii) Other financial assets	7A	245.64	419.83
(f) Deferred tax asset	33	77.78	-
(g) Other non-current assets	8	74.32	63.73
Total Non-current assets		4,697.80	4,671.14
(2) Current assets			
(a) Inventories	9	5,982.62	5,582.56
(b) Financial assets			
(i) Trade receivables	10	2,352.82	1,598.70
(ii) Cash and cash equivalents	11	100.43	130.31
(iii) Bank balances other than (ii) above	12	170.16	14.98
(c) Current tax assets (net)	13	251.44	140.97
(d) Other current assets	14	4,107.63	3,691.07
Total Current assets		12,965.10	11,158.59
Total Assets		17,662.90	15,829.73
(ii) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	15	1,192.00	1,172.00
(b) Other equity	16	8,045.16	7,009.56
Total Equity		9,237.16	8,181.56
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,831.29	2,046.03
(ii) Lease liabilities	18	99.57	78.86
(b) Provisions	19	32.61	36.08
(c) Deferred tax liabilities (net)	33	-	14.57
Total Non-current liabilities		1,963.47	2,175.54
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	20	3,546.11	3,223.78
(ii) Lease liabilities	21	65.31	64.81
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises	22	118.87	12.65
(b) Total outstanding dues of creditors other than micro and small enterprises	22	1,742.50	1,285.52
(iv) Other financial liabilities	23	519.75	321.29
(b) Other current liabilities (net)	24	467.59	560.31
(c) Provisions	19	2.14	4.27
Total Current liabilities		6,462.27	5,472.63
Total Liabilities		8,425.74	7,648.17
Total Equity and Liabilities		17,662.90	15,829.73

The accompanying notes form an integral part of the standalone financial statements.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Edwin Paul Augustine

Partner

Membership No. 043385

For and on behalf of the Board of Directors of

Parag Milk Foods Limited

Devendra Shah

Chairman

DIN: 01127319

Pritam Shah

Managing Director &

Interim Chief Financial Officer

DIN: 01127247

Virendra Varma

Company Secretary & Compliance Officer

Membership No. F10520

Place: Mumbai

Date: May 18, 2024

Place: Mumbai

Date: May 18, 2024

STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

			₹ Million	
Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023	
(I) Income				
(a) Revenue from operations	25	30,898.26	28,532.00	
(b) Other income	26	87.55	351.62	
Total Income		30,985.81	28,883.62	
(II) Expenses				
(a) Cost of materials consumed	27	24,379.92	23,781.00	
(b) Changes in inventories of finished goods, Stock-in-trade and work-in-progress	28	(551.67)	(709.50)	
(c) Employee benefits expense	29	1,044.32	882.45	
(d) Finance costs	30	688.19	528.57	
(e) Depreciation and amortisation expense	31	557.05	540.73	
(f) Other expenses	32	4,039.53	3,188.50	
Total Expenses		30,157.34	28,211.75	
(III) Profit before tax		828.47	671.87	
(IV) Tax expense				
Current tax	47	-	-	
Deferred tax charge/ (credit)	33	(90.88)	(13.04)	
Tax adjustment in respect of earlier years		-	-	
(V) Profit for the year		919.35	684.91	
(VI) Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements gain of the defined benefit plans	39	5.83	3.79	
Income tax on above	33	(1.47)	(0.95)	
Other comprehensive income for the year, net of tax		4.36	2.84	
(VII) Total Comprehensive income/(loss) for the year		914.99	687.75	
(VIII) Earnings per equity share (of face value of ₹10 each) :				
Basic (in ₹)	42	7.83	6.52	
Diluted (in ₹)		7.58	6.34	

The accompanying notes form an integral part of the standalone financial statements.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin Paul Augustine
Partner
Membership No. 043385

Place: Mumbai
Date: May 18, 2024

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

Devendra Shah
Chairman
DIN: 01127319

Virendra Varma
Company Secretary & Compliance Officer
Membership No. F10520

Place: Mumbai
Date: May 18, 2024

Pritam Shah
Managing Director &
Interim Chief Financial Officer
DIN: 01127247

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash Flows from Operating Activities		
Net Profit before taxation	828.47	671.87
Adjustments for:		
Depreciation and amortisation expenses (includes on Right-of-Use assets)	557.05	540.73
Allowance for expected credit loss	143.02	42.59
Net (Gain)/ Loss on sale of investments	(7.65)	21.38
Finance costs	688.19	528.57
Sundry balances written-back (net)	(14.66)	(267.53)
Exchange fluctuation gain (net) on financing activities	25.03	-
(Profit) / Loss on sale of property, plant and equipment	0.02	-
Interest income	(41.61)	(49.59)
Operating profit before working capital changes	2,177.86	1,488.02
Adjustments for:		
(Increase) / decrease in inventories	(400.06)	(901.02)
(Increase) / decrease in trade and other receivables	(1,429.59)	(2,031.42)
Increase / (decrease) in trade payables and other payables	501.48	(330.43)
Increase / (decrease) in provisions	(11.43)	14.80
Cash (used in) / generated from operations	838.26	(1,760.05)
Direct taxes paid (net of refunds)	(110.47)	(34.39)
Net cash inflows / (used in) from operating activities	727.79	(1,794.44)
B. Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(313.43)	(191.05)
Purchase of intangible assets	(8.80)	(2.26)
Sale of property, plant and equipment	0.14	-
Sale of Non-current investments - mutual funds	56.88	(50.00)
Investment in Other Entity (equity shares)	(46.25)	-
Investment in equity shares of subsidiary company	(419.63)	-
Receipt of loan from subsidiary	419.63	(300.00)
Loans given to others	-	(30.00)
Maturity / (investment) in fixed deposits (original maturity of 3 months)	34.61	(315.46)
Interest received	31.33	64.21
Net cash (used in)/ from investing activities	(245.52)	(824.56)
C. Cash Flows from Financing Activities		
Proceeds from issue of shares (net of issue expenses)	140.61	2,002.87
Repayment of Non-current borrowings	(280.32)	(74.26)
Proceeds / (repayment) current borrowings (net)	359.01	600.57
Repayment of lease liabilities/Principal repayment of lease liabilities	(67.50)	(54.99)
Repayment of interest on lease liabilities/Interest paid on lease liabilities	(15.32)	(16.97)
Interest paid	(648.62)	(500.46)
Net cash inflows / (used in) from financing activities	(512.14)	1,956.76
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(29.87)	(662.24)
Cash and cash equivalents at the beginning of the year (Refer Note 11)	130.31	792.54
Cash and cash equivalents at the end of the year (Refer Note 11)	100.43	130.31

STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and cash equivalents include:		
Balances with banks	81.93	113.16
Cash on hand	18.49	17.15
Total	100.43	130.31

Notes :

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, *Statement of Cash Flows*, as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).
- Additions to property, plant and equipment include movements of capital work-in-progress and capital advance during the year.
- Changes in liabilities arising from financing activities

Particulars	Opening Balance	Cash movement	Non-Cash Changes			Closing Balance
			Foreign exchange changes	Fair value changes	Acquisition	
			₹ Million			
Non-current borrowings (gross)	2,326.39	(276.06)	-	24.65	-	2,074.98
Current borrowings (net)	2,943.43	359.01	-	-	-	3,302.44
Lease liability (RoU Asset)	143.67	(67.50)			88.72	164.88
	5,413.49	15.45	-	24.65	88.72	5,542.31

- Figures for the previous year have been regrouped wherever necessary.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Edwin Paul Augustine

Partner

Membership No. 043385

For and on behalf of the Board of Directors of

Parag Milk Foods Limited

Devendra Shah

Chairman

DIN: 01127319

Pritam Shah

Managing Director &
Interim Chief Financial Officer

DIN: 01127247

Virendra Varma

Company Secretary & Compliance Officer

Membership No. F10520

Place: Mumbai

Date: May 18, 2024

Place: Mumbai

Date: May 18, 2024

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

Equity share capital (Refer Note 15)

₹ Million

Particulars	For the period ended March 31, 2024				
	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
Issued, subscribed and paid-up (Equity shares of face value ₹10 each)	11,71,99,826	-	-	20,00,000	11,91,99,826

₹ Million

Particulars	For the year ended March 31, 2023				
	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
Issued, subscribed and paid-up (Equity shares of face value ₹10 each)	9,51,99,826	-	-	2,20,00,000	11,71,99,826

Other Equity

₹ Million

Particulars	Reserves and Surplus				Money received against share warrants	Money received against FCCB	Other Comprehensive Income (Remeasurement in defined benefit plans)	Total other equity
	Securities premium	General reserve	Employee stock options outstanding	Retained earnings				
Balance as at April 1, 2022	5,837.74	59.26	-	(1,495.12)	25.00	106.80	5.25	4,538.93
Profit / (Loss) for the year	-	-	-	684.91	-	-	-	684.91
Other Comprehensive Income for the year, net of tax	-	-	-	-	-	-	2.84	2.84
Securities premium credited for equity shares issued (Refer Note 16A)	1,762.50	-	-	-	-	-	-	1,762.50
Transaction cost in respect of share warrants (Refer Note 16D)	-	-	-	(1.50)	-	-	-	(1.50)
Money received against share warrants (Refer Note 16E)	-	-	-	-	21.88	-	-	21.88
Balance as at March 31, 2023	7,600.24	59.26	-	(811.71)	46.88	106.80	8.09	7,009.56
Profit / (Loss) for the year	-	-	-	919.35	-	-	-	919.35
Other comprehensive income for the year (net of tax)	-	-	-	-	-	-	(4.36)	(4.36)

STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Reserves and Surplus				Money received against share warrants	Money received against FCCB	Other Comprehensive Income (Remeasurement in defined benefit plans)	Total other equity
	Securities premium	General reserve	Employee stock options outstanding	Retained earnings				
Securities premium credited for equity shares issued (Refer Note 16A)	167.49	-	-	-	-	-	-	167.49
Conversion of share warrants into Equity shares (Refer Note 16E)	-	-	-	-	(46.88)	-	-	(46.88)
Balance as at March 31, 2024	7,767.73	59.26	-	107.64	-	106.80	3.73	8,045.16

Refer Note 16 for nature and purpose of reserves

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Edwin Paul Augustine

Partner

Membership No. 043385

For and on behalf of the Board of Directors of

Parag Milk Foods Limited

Devendra Shah

Chairman

DIN: 01127319

Pritam Shah

Managing Director &

Interim Chief Financial Officer

DIN: 01127247

Virendra Varma

Company Secretary & Compliance Officer

Membership No. F10520

Place: Mumbai

Date: May 18, 2024

Place: Mumbai

Date: May 18, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

1. Corporate information

Parag Milk Foods Limited (the 'Company') was incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) of the Company is L15204PN1992PLC070209. The registered office of the Company is situated at Flat No. 1, Plot No. 19, Nav Rajasthan Society, S. B. Road, Shivaji Nagar, Pune 411 016, Maharashtra.

The Company is engaged in the business of procurement of cow milk mainly in western and southern region, undertakes processing of milk and manufacture of various value-added products namely, cheese, butter, ghee, fresh cream, milk powder, flavoured milk, lassi, curd, etc., which are marketed under its registered brand name 'Gowardhan', 'Go', 'Topp Up' and 'Avvatar'.

The Company's shares are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited.

The standalone financial statements were approved for issue by the Company's Board of Directors on May 18, 2024.

2A. Material Accounting Policies

Basis of preparation

(1) Compliance with Ind AS

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act'), and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Act. The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

The accounting policies are applied consistently to all the periods presented in the financial statements.

(2) Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency.

(3) Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair value
Shared-based Payments	Fair value
Net defined benefit (asset)/ liability	Present value of defined benefit obligation less Fair value of plan assets

(4) (i) Current / non-current classification of assets / liabilities

The Company has classified all its assets / liabilities into current / non-current portion based on the time frame of 12 months from the date of the financial statements. Accordingly, assets / liabilities expected to be realised / settled within 12 months from the date of financial statements are classified as current and other assets / liabilities are classified as non-current

The Company presents assets and liabilities in the standalone balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(ii) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

(iii) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Millions as per the requirement of Division II of Schedule III to the Act, unless otherwise stated.

(5) Use of estimates and judgements

In the preparation of the financial statements, the Company makes judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Differences between actual results and estimates are recognized in the period in which the results are known / materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending March 31, 2024 are as below and also been discussed in detail in the relevant section of accounting policies:

- Measurement of defined benefit obligations: key actuarial assumptions;
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Useful life of property, plant and equipment
- Fair value measurement of financial instruments
- Allowance for doubtful debt
- Estimation of tax expenses, utilization of deferred tax assets and tax payable.

- Lease liabilities – measurement of incremental borrowing costs.

- Impairment of financial assets.

(6) Measurement of fair values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Further information about the assumptions made in the measuring fair values is included in the following notes:

- Share-based Payments
- Financial instruments

2B. Other Accounting policies

(1) Property, plant and equipment

Recognition and measurement

Freehold land is carried at historical cost. For freehold land as no finite useful life can be determined, related carrying amounts are not amortised.

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in statement of profit and loss.

Subsequent expenditure

Subsequent expenditure is capitalised in the carrying amount of assets or recognized as a separate asset only if it is probable that the future economic benefits associated with the expenditure will flow to the Company and the cost can be measured reliably.

All other repairs and maintenances are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation on cost of fixed assets is provided on straight-line-method at estimated useful life, which is in line with the estimated useful life as specified in Schedule II to the Act, except for second hand machineries which are depreciated over an estimated useful life of 10 years based on management's estimate. Leasehold building improvements are depreciated base on the management estimates of useful life, namely 3 years.

Depreciation on additions is provided on a *pro-rata* basis from the date of ready to use and in case of Projects from the date of commencement of commercial production. Depreciation on deductions/disposals is provided on a *pro-rata* basis up to the month proceeding the month of deduction/disposal.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than estimated recoverable amount.

Useful life of the assets are as follows: -

Assets	Useful life (years)
Leasehold Building Improvements	3
Buildings	30
Plant and Equipment	3/5/6/8/10/11/12/15
Furniture and Fixtures	10
Vehicles	8/10
Office Equipment's	5
Computer	3

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Derecognized

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the standalone statement of profit and loss when the asset is derecognized.

Capital work-in-progress

Capital work-in-progress includes expenditure incurred till the assets are put into intended use. Capital work-in-progress are measured at cost less accumulated impairment losses, if any.

(2) Intangible assets

Recognition and measurement

Intangibles are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditures are recognized in the statement of profit and loss when incurred.

Amortization

Amortization is recognized in profit and loss on a straight-line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful lives are as follows:

Assets	Useful life (years)
Trade marks	10
Computer software	3

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortization expense on intangible assets with finite lives is recognized in the standalone statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment Annually, either individually or at the cash-generating unit (CGU) level.

(3) Impairment

Financial assets

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL with simplified approach. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

Non -financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(4) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company's lease asset classes primarily consist of leases for land and buildings. The Company assesses whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves use of identified asset;
- (ii) The Company has substantially all of the economic benefit of 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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

At the date of commencement of lease, the Company recognize a Right-of-Use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve month or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as operating expense on straight-line basis over the term of lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Company depreciates the ROU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term. The Company also assesses the ROU asset for impairment when such indicators exist.

The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with corresponding adjustment to the related ROU asset if Company changes its assessment if whether it will exercise an extension or termination option.

Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

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

The following is the summary of practical expedients:

1. Applied a single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date.
2. Applied the exemption not to recognize ROU asset and liabilities for leases with less than 12 months of lease term of the date of initial application.

3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116, is applied only to contracts that were previously identified as leases under Ind AS 17, *Leases*.
4. Excluding initial direct costs for the measurement of ROU asset at the date of initial application.

The Company as a lessor

Leases for which the Company is a lessor classified as finance or operating lease. Lease income from operating leases where the Company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

(5) Inventories

Inventories are valued at the lower of cost (including prime cost, GST and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. Taxes which are subsequently recoverable from taxation authorities are not included in the cost. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on weighted average basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

Finished goods are valued at the lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition), computed on weighted average basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(6) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques on hand, demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

(7) Trade receivable

Trade receivable are amounts due from customers for goods sold or services performed in the ordinary course of business and reflects Company unconditional right to consideration.

(8) Trade and other payable

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade payables are presented as current unless payment is not due within 12 months after the reporting period. They are recognized initially at the fair value and subsequently measured at amortized cost using the effective interest method.

(9) Financial instruments

Recognition and initial measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The Company initially recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. However, trade receivables that do not contain a significant financing component are measured at transaction price. Regular way purchase and sale of financial assets are accounted for at trade date.

Classification and subsequent measurement

Financial assets

Financial assets carried at amortized cost

A debt instrument is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect

contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the standalone statement of profit and loss. The losses arising from impairment are recognized in the standalone statement of profit and loss

Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A debt instrument is subsequently measured at FVTOCI if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the Other Comprehensive Income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to the standalone statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method

In case, the Company's management has made an irrevocable election at the time of initial recognition to account for the equity investment (Other than Investments in equity instruments of Subsidiary) FVTOCI. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.

Investment in subsidiary

Investment in subsidiary is carried at cost less impairment wherever applicable in the financial statements.

Financial assets at Fair Value Through Profit or Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109, *Financial Instruments*. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the standalone statement of profit and loss.

Financial liabilities designated upon initial recognition at FVTPL are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the standalone statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the standalone statement of profit and loss. The Company has not designated any financial liability as at FVTPL.

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

Financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the statement of profit and loss.

Off-setting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set-off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

(10) Revenue recognition

The Company recognizes Ind AS 115, *Revenue from contracts with customers*, based on a five-step model as set out in the Standard:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Company allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the Company satisfies a performance obligation.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The transfer of the significant risks and rewards of ownership of a goods to the customer may indicate that the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods.

Amounts disclosed as revenue are net of returns, trade discounts, cash discount, allowances and volume rebates, taxes collected and amounts collected on behalf of third parties. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract.

Processing charges is recognized as per the terms of the contract when the related services are rendered.

Dividend income is recognized when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on Bank Deposits is accrued on time proportionate basis and at the applicable interest rate.

(11) Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

(12) Government grant and incentives

Government incentives are recognized at fair value when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. The Government incentives are recognized in profit and loss on a systematic basis over the period in which the Company recognizes the related costs for which the incentives are intended to compensate as expense or immediately if the costs have already been incurred.

Eligible export incentives and Bio-Gas subsidy are recognized in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability.

(13) Share-based Payments

Employees of the Company receive remuneration in the form of share-based payment in consideration of the services rendered. Under the equity settled share-based payment, the fair value on the grant date of the award given to employees is recognized as 'employee benefit expense' with a corresponding increase in equity over the vesting period. The fair value of the options at the grant date is calculated by an independent valuer basis Black Scholes model. At the end of each reporting period, apart from the non-market vesting condition, the expense is reviewed and adjusted to reflect changes to the level of options expected to vest. When the options are exercised, the Company issues fresh equity shares.

(14) Foreign currencies

Initial Recognition

On initial recognition, transaction in foreign currencies entered into by the Company are recorded in the functional currency, by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss.

Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the statement of profit and loss except exchange differences on long term foreign currency monetary items related to acquisition of fixed assets prior to transition to Ind AS, which are included in the cost of fixed assets.

(15) Income tax

Income tax comprises current and deferred tax. It is recognized in statement of profit and loss except to the extent that it relates to a business combination or to an item recognized directly in equity or in OCI.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

Current tax assets and liabilities are offset only if:

- i) there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- ii) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneous.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits. Deferred tax is not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognized or unrecognized are reviewed at each reporting date and are recognized

/ reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Company offsets, the current tax assets and liabilities (on a year-on-year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Ordinance 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company for paying Income Tax at reduced rates as per the provisions/conditions defined in the said section. The Company has decided to take benefit of the reduced tax rate as permitted in the said section.

Presentation of current and deferred tax

Current and deferred tax are recognized as income or an expense in the statement of profit and loss, except when they relate to items that are recognized in OCI, in which case, the current and deferred tax income/ expense are recognized in OCI.

The Company offsets current tax assets and current tax liabilities, where it has legally enforceable right to set-off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has legally enforceable right to set-off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

(16) Borrowings

Borrowings are initially recognized at net of transaction costs incurred and measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(17) Borrowing costs

Borrowing costs consist of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Interest and other borrowing costs attributable to qualifying assets are capitalised upto the date such assets are ready for their intended use. Other interest and borrowing costs are charged to statement of profit and loss.

(18) Provisions, contingent liabilities and contingent assets and commitments

The Company recognizes the provisions when a present obligation (legal or constructive) as a result of past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

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

A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying the economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying the economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognized. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognized as an asset.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be extracted on capital account and not provided for.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

(19) Employee benefits

Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognized as expenses in the period in which the employee renders the related service.

Post-employment benefits

Contributions to defined contribution schemes, such as, Provident Fund, Employees State Insurance are recognized as expenses in the period in which the employee renders the related service. The Company has no further obligations beyond its monthly contributions. The Company also provides for post-employment defined benefit in the form of gratuity. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Re-measurement of the net benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognized in OCI. The effect of any plan amendments are recognized in net profit in the statement of profit and loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at every year end using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(20) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit / loss attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings shares to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(21) Statement of cash flows

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Company are segregated.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

(22) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

3. Recent Accounting Policies

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind-AS which are effective for annual periods beginning on or after April 1, 2023. The Company has applied these amendments for the first time in the financial statements.

i. Amendments to Ind AS 1, *Presentation of Financial Statements* - disclosure of accounting policies

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

ii. Amendments to Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* - definition of accounting estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these financial statements.

iii. Amendments to Ind AS 12, *Income Taxes* - deferred tax related to assets and liabilities arising from a single transaction

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company has previously recognized deferred tax on leases on a net basis. As a result of these amendments, the Company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its ROU assets. Since these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact on the balance sheet. There was also no impact on the opening retained earnings as at April 01, 2022.

iv. New standards and amendments issued but not effective

There are no such standards which are notified but not yet effective.

v. The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 4: Property, plant and equipment

Particulars	₹ Million									
	Freehold land	Leasehold building improvements	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Computer	Total	
Year ended March 31, 2023										
Gross carrying amount										
Opening gross carrying amount	161.60	41.61	787.99	4,943.49	45.01	69.11	28.28	45.04	6,122.13	
Additions during the year	-	-	-	109.45	1.59	-	1.65	4.48	117.18	
Disposals / Adjustment during the year	-	-	-	-	-	-	-	-	-	
Closing gross carrying amount as at March 31, 2023	161.60	41.61	787.99	5,052.94	46.60	69.11	29.93	49.52	6,239.31	
Accumulated depreciation										
Opening accumulated depreciation	-	39.34	184.41	2,443.51	20.51	29.62	18.58	39.70	2,775.67	
Depreciation charge during the year	-	0.04	28.75	432.71	4.38	7.19	3.75	2.63	479.45	
Disposals / Adjustment during the year	-	-	-	-	-	-	-	-	-	
Closing Accumulated depreciation up to March 31, 2023	-	39.38	213.16	2,876.22	24.89	36.81	22.33	42.33	3,255.12	
Impairment										
Opening balance	-	-	-	-	-	-	-	-	-	
Impairment during the year	-	-	-	-	-	-	-	-	-	
Impairment up to March 31, 2023	-	-	-	-	-	-	-	-	-	
Net carrying amount as at March 31, 2023	161.60	2.23	574.83	2,176.72	21.71	32.30	7.60	7.19	2,984.19	
Year ended March 31, 2024										
Gross carrying amount										
Opening gross carrying amount	161.60	41.61	787.99	5,052.94	46.60	69.11	29.93	49.52	6,239.30	
Additions during the year	20.34	-	60.54	308.75	12.23	3.21	3.07	11.56	419.70	
Disposals / Adjustment during the year	-	-	-	-	-	0.86	-	-	0.86	
Closing gross carrying amount as at March 31, 2024	181.94	41.61	848.53	5,361.69	58.83	71.46	33.00	61.08	6,658.14	
Accumulated depreciation										
Opening Accumulated depreciation	-	39.38	213.16	2,876.22	24.89	36.81	22.33	42.33	3,255.12	
Depreciation charge during the year	-	-	28.93	435.75	5.11	6.91	3.06	4.35	484.11	
Disposals / Adjustment during the year	-	-	-	-	-	-	-	-	-	
Closing Accumulated depreciation up to March 31, 2024	-	39.38	242.09	3,311.97	30.00	43.72	25.39	46.68	3,739.23	
Impairment										
Opening balance	-	-	-	-	-	-	-	-	-	
Impairment during the year	-	-	-	-	-	-	-	-	-	
Impairment upto March 31, 2024	-	-	-	-	-	-	-	-	-	
Net carrying amount as at March 31, 2024	181.94	2.23	606.44	2,049.72	28.83	27.74	7.61	14.40	2,918.91	

Refer Note 34 for information on PPE pledged as security by the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 4A: Capital Work-in-progress

Particulars	As at March 31, 2024	As at March 31, 2023
Reconciliation of carrying amount		
Opening balance	86.44	28.38
Additions during the year	72.27	59.14
Capitalised during the year	(62.04)	(1.08)
Closing balance	96.67	86.44

Ageing of Capital Work-in-progress as on March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	20.35	14.96	61.35	-	96.67
Projects temporarily suspended	-	-	-	-	-
Total	20.35	14.96	61.35	-	96.67

Ageing of Capital Work-in-progress as on March 31, 2024

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years*	
Projects in progress	61.10	25.34	-	-	86.44
Projects temporarily suspended	-	-	-	-	-
Total	61.10	25.34	-	-	86.44

* Capital Work-in-progress more than 3 years consist of "Milk Process Machine" which will has been capitalised in June 2022.

Notes:

For details of assets given as security against borrowings (Refer Notes 17 and 20)

Amount of contractual commitments for the acquisition of PPE (Refer Note 40)

There are no Capital Work-in-progress (CWIP) that are overdue or have exceeded their original plan/ budget.

There is no impairment during the year.

Note 5: Other intangible assets

Particulars	Computer software	Brands / Trade Marks	₹ Million
			Total
Year ended March 31, 2023			
Gross carrying amount			
Opening gross carrying amount	71.89	13.48	85.37
Additions during the year	2.26	-	2.26

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Computer software	Brands / Trade Marks	Total
Closing gross carrying amount as at March 31, 2023	74.15	13.48	87.63
Accumulated amortisation			
Opening Accumulated amortisation	68.02	13.48	81.50
Amortisation charge for the year	4.19	-	4.19
Closing Accumulated amortisation upto March 31, 2023	72.21	13.48	85.69
Impairment			
Opening balance	-	-	-
Impairment during the year	-	-	-
Impairment upto March 31, 2023	-	-	-
Closing net carrying amount as at March 31, 2023	1.94	-	1.94
Year ended March 31, 2024			
Gross carrying amount			
Opening gross carrying amount	74.15	13.48	87.63
Additions during the year	8.80	-	8.80
Closing gross carrying amount as at March 31, 2024	82.95	13.48	96.43
Accumulated amortisation			
Opening Accumulated amortisation	72.21	13.48	85.69
Amortisation charge for the year	1.80	-	1.80
Closing Accumulated depreciation up to March 31, 2024	74.01	13.48	87.49
Impairment			
Opening balance	-	-	-
Impairment during the year	-	-	-
Impairment upto March 31, 2024	-	-	-
Net carrying amount as at March 31, 2024	8.94	-	8.94

Note:

There are no contractual commitments for the acquisition of intangible assets at the reporting date.

The company does not have any project related to development of an intangible asset whose completion is overdue or any project where cost have exceeded as compared to the original plan. There are no project where activities have been suspended.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 5A: Right-of-Use assets

	₹ Million	
Particulars	Right-of-Use assets	Total
Year ended March 31, 2023		
Gross carrying amount		
Opening gross carrying amount	248.79	248.79
Additions during the year	36.05	36.05
Disposals during the year	-	-
Closing gross carrying amount as at March 31, 2023	284.84	284.84
Accumulated depreciation		
Opening Accumulated depreciation	99.95	99.95
Depreciation charge during the year	57.09	57.09
Disposals during the year	-	-
Closing Accumulated depreciation upto March 31, 2023	157.04	157.04
Impairment		
Opening Balance	-	-
Impairment during the year	-	-
Impairment upto March 31, 2023	-	-
Net carrying amount as at March 31, 2023	127.80	127.80
Year ended March 31, 2024		
Gross carrying amount		
Opening gross carrying amount	284.84	284.84
Additions during the period	101.29	101.29
Disposals during the period	-	-
Closing gross carrying amount as at March 31, 2024	386.13	386.13
Accumulated depreciation		
Opening Accumulated depreciation	157.04	157.04
Depreciation charge during the period	71.14	71.14
Disposals during the period	-	-
Closing Accumulated depreciation up to March 31, 2024	228.18	228.18
Impairment		
Opening Balance	-	-
Impairment during the period	-	-
Impairment upto March 31, 2024	-	-
Net carrying amount as at March 31, 2024	157.95	157.95

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 6: Non-current Investments

Particulars	Face value	₹ Million			
		As at March 31, 2024		As at March 31, 2023	
		Quantity (Nos)	Value	Quantity (Nos)	Value
Unquoted					
Investment in equity instruments (fully paid-up)					
Investment in wholly owned subsidiary carried (at amortized cost)					
Bhagalaxmi Dairy Farm Private Limited	₹10	77,90,372	1,042.27	57,85,354	622.64
Investment in Other entities carried (at amortized cost)					
TP Solapur Saurya Limited	₹10	46,24,704	46.25	-	-
Investment in other entities (fair value through profit or loss)					
OPGS Power Gujarat Private Limited	-	2,18,000	-	2,18,000	-
Rupee Co-operative Bank Limited. (under liquidation)	-	3,800	-	3,800	-
Other investments					
Unquoted					
Investment in other entities (fair value through profit or loss)					
Sharad Sahakari Bank Limited.	-	318	-	318	0.00
SVC Co-operative Bank Limited.	0.00	100	0.00	100	0.00
Quoted					
Investment in mutual funds (fair value through profit or loss)					
Union Gilt Growth Fund	₹10	-	-	20,41,549	21.09
Union Multicap Fund - Regular Plan Growth	₹10	-	-	29,99,850	28.14
Total			1,088.52		671.87
Total Non-current investments			1,088.52		671.87
Aggregate amount of quoted investments at cost			-		50.00
Aggregate amount of market value of quoted investments			-		49.23
Aggregate amount of unquoted investments at cost			1,088.52		622.64
Aggregate amount of impairment in the value of investments			-		-

Notes:

The investments are in compliance with Section 186(4) of the Companies Act, 2013.

Refer Notes 35 and 36 for information about fair value measurement, credit risk and market risk of Investments

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year 2023-24 and 2022-23.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 7 : Loans

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Loan considered good-Secured	-	-
Loan considered good-Unsecured	29.07	315.34
Loan credit- impaired	2.93	14.66
Less : Allowances for doubtful loans	(2.93)	(14.66)
	29.07	315.34
Total	29.07	315.34

Refer Note 36 for information about credit risk and market risk for loans

- Loans given to related parties are not repayable on demand, bearing interest rate at the rate of 8.75% p.a. and the respective agreements specify adequate terms and period of repayment. The said loan has been given for expansion and general corporate purposes.
- The company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- Disclosures pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Particulars	As at March 31, 2024	As at March 31, 2023
(a) Loans to Subsidiaries		
(i) Bhagyalaxmi Dairy Farms India Private Limited		
Balance as at the beginning of the year	285.34	-
Loans given during the year	-	300.00
Loans repaid during the year	285.34	-
Balance as at the end of the year	-	285.34
Maximum amount outstanding at any time during the year	285.34	300.00
(b) Loans to Others		
Balance as at the beginning of the year	30.00	-
Loans given during the year	-	30.00
Loans repaid during the year	-	-
Balance as at the end of the year	29.07	30.00
Maximum amount outstanding at any time during the year	30.00	30.00
Total	29.07	315.34

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 7A : Non-Current - Other financial assets

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Terms deposits with bank having original maturity of more than one year *	161.39	351.18
Other deposits		
Considered good - Unsecured	84.24	68.65
Credit impaired	34.57	32.42
Less : Allowances for doubtful deposits	(34.57)	(32.42)
	84.24	68.65
Total	245.64	419.83

*The Company held Fixed deposits with bank having original maturity of more than one year of ₹161.39 Million as at March 31, 2024 (March 31, 2023: ₹351.18 Million). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Note 8: Other Non-current assets

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Capital advances		
Considered good	73.84	43.02
Credit impaired	8.43	8.43
Less : Allowances for doubtful advances	(8.43)	(8.43)
	73.84	43.02
Prepaid expenses	0.48	20.71
Total	74.32	63.73

Note 9 : Inventories

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Raw materials	41.95	105.69
Work-in-progress	2,041.21	1,709.87
Finished goods (Refer note below)	3,511.98	3,291.65
Packing materials	-	262.05
Stores and spares	387.48	213.30
Total	5,982.62	5,582.56

The cost of inventories recognised as an expense is disclosed in Note 27 together with purchases disclosed in the Statement of profit and loss.

The mode of valuation of inventories has been stated in Note 5

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

The above includes goods in transit as below:

Particulars	As at March 31, 2024	As at March 31, 2023
Stock-in-transit - finished goods	22.21	44.72

Note 10: Trade receivables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables - Considered good , Unsecured	2,352.82	1,598.70
Trade receivables- which have significant increase in credit risk	635.21	539.21
Less: Allowance for expected credit loss	(635.21)	(539.21)
Total	2,352.82	1,598.70
The movement in allowance for expected credit loss is as follows:		
Balance as at beginning of the year	539.21	683.02
Allowance for expected credit loss during the year	96.00	(143.81)
Trade receivables written-off during the year	-	-
Balance as at the end of the year	635.21	539.21

Ageing for Trade receivables from the due date of payment for each of the category as at March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Undisputed Trade receivables - considered good	1,235.84	1,027.46	58.57	29.60	1.34	-	2,352.82
Undisputed Trade receivables - which have significant increase in credit risk	-	41.22	39.90	106.78	29.14	418.17	635.21
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	1,235.84	1,068.68	98.47	136.38	30.48	418.17	2,988.03
Allowance for expected credit loss	-	41.22	39.90	106.78	29.14	418.17	635.21
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	-	41.22	39.90	106.78	29.14	418.17	635.21
TOTAL [(A)- (B)]	1,235.84	1,027.46	58.57			-	2,352.82
Percentage of expected credit loss followed for each bracket	0%	4%	41%	78%	96%	100%	

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Ageing for Trade receivables from the due date of payment for each of the category as at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 Year	2-3 Year	More than 3 Years	
Undisputed Trade receivables - considered good	469.73	1,075.70	37.97	15.30	-	-	1,598.70
Undisputed Trade receivables - which have significant increase in credit risk	-	49.56	31.70	22.94	-	380.51	484.72
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	54.49	54.49
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	469.73	1,125.27	69.67	38.24	-	435.00	2,137.91
Allowance for expected credit loss	-	49.56	31.70	22.94	-	435.00	539.21
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	-	49.56	31.70	22.94	-	435.00	539.21
TOTAL [(A)- (B)]	469.73	1,075.70	37.97			-	1,598.70
Percentage of expected credit loss followed for each bracket	0%	4%	46%			100%	

Notes:

- (a) Trade receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.
- (b) No trade receivables are due from directors or other officers of the Company, either severally or jointly with any other person, nor any trade and other receivables are due from firms or private companies respectively in which any directors is a partner, a director or a member.
- (c) For the Company's exposure to credit and currency risk related to trade receivables - [Refer Notes 36 (A) and 36 (C)].
- (d) Trade receivables are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts.
- (e) Trade receivables stated above are charged on a first pari-passu basis between working capital consortium members led by Union Bank of India, SVC Co-operative Bank Limited and IDBI Bank Limited.
- (f) There are no unbilled dues during the year.
- (g) Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 11: Cash and cash equivalents

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Current accounts	10.97	63.80
	10.97	63.80
Short-term bank deposits (maturity less than 3 months)*	70.96	49.36
Cash on hand	18.49	17.15
Total	100.43	130.31

(*Short-term deposits are made for varying periods depending on the immediate cash requirements of the Company and earn interest at the respective short-term deposits rates).

Note 12: Bank balances other than cash and cash equivalents

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Short-term bank deposits (maturity more than 3 months but less than 12 months)	170.16	14.98
Total	170.16	14.98

Note : The Company held cash and cash equivalents and other bank balances of ₹270.59 Million as at March 31, 2024 (March 31, 2023: ₹145.29 Million). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Note 13: Current tax assets

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Current tax assets (net)	251.44	140.97
Total	251.44	140.97

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 14: Other current assets

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Advances other than capital advances		
Unsecured :		
Prepaid expenses	523.13	63.87
Advances to suppliers / others		
Considered good	2,340.66	2,630.82
Considered doubtful	-	67.45
Less : Allowances for doubtful deposit	(67.45)	(67.45)
	2,273.21	2,630.82
Advances to subsidiary	191.51	122.91
Recoverable from statutory and government authorities		
Unsecured :		
Electricity duty receivable	22.20	22.20
Less: Allowances for doubtful recovery	(22.20)	(22.20)
	-	-
PSI incentive and export subsidy receivable	886.61	729.49
	(9.93)	(9.93)
	876.68	719.56
Milk incentive receivable	86.20	86.20
Less: Provision for doubtful recovery	(5.50)	(5.50)
	80.70	80.70
PLI incentive receivable	155.19	58.98
Interest receivable	7.20	14.23
Unsecured, considered doubtful		
Advances and other recoverables	20.98	20.98
Recoverable from statutory and government authorities subject to outcome of assesments	25.24	25.24
Less: Allowance for doubtful advances	(46.22)	(46.22)
	0.00	0.00
Grand Total	4,107.63	3,691.07

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 15: Equity share capital**(a) Details of Equity Share Capital**

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares	₹ Million	Number of shares	₹ Million
Authorised shares				
Equity shares of ₹10 each	20,00,00,000	2,000.00	12,00,00,000	1,200.00
Issued, Subscribed and paid-up shares				
Equity shares of ₹10 each	11,91,99,826	1,192.00	11,71,99,826	1,172.00

(b) Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year.

Particulars	Number of shares (Nos.)	Face Value (₹)	Amount
As at March 31, 2022	9,51,99,826	10.00	952.00
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	9,53,75,841	10.00	953.76
Less: Amount recoverable from ESOP Trust (face value of 1,76,015 share allotted to the Trust)	1,76,015	10.00	1.76
Net Issued, subscribed and fully paid up share capital	9,51,99,826	10.00	952.00
Add: Issued during the year	2,20,00,000	10.00	220.00
As at March 31, 2023	11,71,99,826	10.00	1,172.00
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,73,75,841	10.00	1,173.76
Less: Amount recoverable from ESOP Trust (face value of 1,76,015 share allotted to the Trust)	1,76,015	10.00	1.76
Add: Share warrants converted into equity (face value of 20,00,000 share allotted to a Director)	20,00,000	10.00	20.00
Net Issued, subscribed and fully paid up share capital	11,91,99,826	10.00	1,192.00
As at March 31, 2024	11,91,99,826	10.00	1,192.00

(c) Terms and rights attached to equity shares

The Company has only one class of shares referred to as equity shares having a par value of ₹10 per share. Each holders of equity shares carry one vote per share without restrictions. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts, in proportion to their shareholding.

The Board of Directors of the Company has recommended dividend of ₹0.50 (Fifty Paise) per equity shares of the face value of ₹10 each for the financial year ended March 31, 2024 which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

(d) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares (Nos.)	% holding	Number of shares (Nos.)	% holding
Equity shares of ₹10 each fully paid				
Mr. Devendra Prakash Shah	2,02,06,400	16.95%	2,02,06,400	17.24%
Mr. Pritam Prakash Shah	91,59,888	7.68%	91,59,888	7.82%
Mrs. Netra Pritam Shah	1,38,67,027	11.63%	1,38,67,027	11.83%
International Finance Corporation	-	-	67,56,756	5.77%
Sixth Sense Indian Opportunities III	81,67,245	6.85%	-	-
AG Dynamic Funds Limited	-	0.00%	73,92,250	6.31%

(e) Details of shareholdings by the Promoter's of the Company.

Promoter's Name	As at March 31, 2024		As at March 31, 2023		% change in the year
	Number of shares	% of total shares	Number of shares	% of total shares	
Mr. Devendra Prakash Shah	2,02,06,400	16.95%	2,02,06,400	17.24%	0.00%
Mr. Pritam Prakash Shah	91,59,888	7.68%	91,59,888	7.82%	0.00%
Mr. Prakash Babu Lal Shah	100	0.00%	100	0.00%	0.00%
Mrs. Netra Pritam Shah	1,38,67,027	11.63%	1,38,67,027	11.83%	0.00%
Mrs. Priti Devendra Shah	22,22,820	1.86%	22,22,820	1.90%	0.00%
Mr. Poojan Devendra Shah	32,95,000	2.76%	32,95,000	2.81%	0.00%
Mrs. Akshali Shah	20,00,000	1.68%	-	0.00%	100.00%
Mrs. Shabdali Mitul Desai	10,000	0.01%	10,000	0.01%	0.00%
Mr. Stavan Pritam Shah	100	0.00%	100	0.00%	0.00%
Mrs. Rajani Prakash Shah	100	0.00%	100	0.00%	0.00%
Late Parag Prakash Shah	1,00,000	0.08%	1,00,000	0.09%	0.00%
Total Promoters shares outstanding	5,08,61,435	42.67%	4,88,61,435	41.69%	
Total shares outstanding	11,91,99,826		11,71,99,826		

(f) As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares. The above percentage have been computed after excluding 176,015 nos (March 31, 2023 176,015 nos) of equity shares issued to ESOS Trust.

(g) The Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date.

(h) The Company has vide board resolution dated July 18, 2022, had issued 1,10,00,000 equity shares at a price of ₹93.75 (including a premium of ₹83.75) to AG Dynamics Funds Limited and 10,00,000 equity shares at a price of ₹93.75 (including a premium of ₹83.75) to Business Managers LLP on preferential basis of ₹10 each at ₹93.75 (including a premium of ₹83.75).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

- (i) The Company had vide board resolution dated May 10, 2021 issued 50,00,000 warrants at a price of ₹111 (including a premium of ₹101) to Mr. Devendra and 50,00,000 warrants at a price of ₹111 (including a premium of ₹101) to Mrs. Netra P Shah, belonging to promoter and promoter group, entitling them for the subscription of equivalent number of equity shares of ₹10 each at ₹111 each (including premium of ₹101 per share). The aforementioned issue of equity shares and share warrants are being made for general corporate purpose and working capital requirements.

During the financial year 2022-23, the Company has issued and allotted, 50,00,000 Equity Shares each, of face value ₹10 each fully paid up to Mr. Devendra P. Shah and Mrs. Netra P. Shah ('warrant holders') individually, consequent to the warrant holders having exercised their right for conversion of warrants into equity shares. The allotment has been made for cash, upon the receipt of the remaining exercise price of ₹83.25 per Share warrant (being an amount equivalent to the 75% of the warrant exercise price of ₹111 per warrant), aggregating to ₹83,25,00,000.

- (j) The Company had vide board resolution dated August 23, 2022 issued 20,00,000 warrants at a price of ₹93.75 (including a premium of ₹83.75) to Ms. Akshali Shah, belonging to promoter and promoter group, entitling them for the subscription of equivalent number of equity shares of ₹10 each at ₹93.75 (including a premium of ₹83.75). The aforementioned issue of equity shares and share warrants are being made for general corporate purpose and working capital requirements.

During the financial year 2023-24, the Company has issued and allotted, 20,00,000 Equity Shares each, of face value ₹10 each fully paid up to Ms. Akshali Shah ('warrant holder'), consequent to the warrant holder having exercised their right for conversion of warrants into equity shares.

The allotment has been made for cash, upon the receipt of the remaining exercise price of ₹70.31 per Share warrant (being an amount equivalent to the 75% of the warrant exercise price of ₹93.75 per warrant), aggregating to ₹14,06,25,000.

- (k) There was no equity shares bought back, bonus shares issued, or shares allotted as fully paid up pursuant to contract without payment in cash.
- (l) There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

Note 16: Other Equity

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Securities Premium	7,767.73	7,600.24
General Reserve	59.26	59.26
Retained Earnings	107.64	(811.71)
Other Comprehensive Income		
-Remeasurements of defined benefit plans	3.73	8.09
Money received against share warrants	-	46.88
Money received against FCCB	106.80	106.80
Total	8,045.16	7,009.56

Note: For movements in reserves - Refer Statement of Changes in Equity.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium (A)		
Opening balance (net off premium on 1,76,015 shares allotted to the ESOP Trust)	7,600.24	5,837.74
Add: Securities premium credited on share and warrants issued *	167.49	1,762.50
Closing balance	7,767.73	7,600.24
<p>"(*Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on February 14, 2024, the Company has issued 20,00,000 Equity Shares of ₹10 each at a premium of ₹83.75 Ms. Akshali Shah). (* Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on July 18, 2022, the Company has issued 50,00,000 Share warrants of ₹10 each at a premium of ₹101 to Mr Devendra Shah, Ms Netra Shah respectively and 1,10,00,000 and 10,00,000 equity shares on preferential basis of ₹10 each at a premium of ₹83.75 to AG Dynamics Funds Limited and Pivotal Business Managers LLP)."</p>		
General Reserves (B)		
Opening balance	59.26	59.26
Add: Transfer from Employee Stock Options Outstanding	-	-
Closing balance	59.26	59.26
Employee Stock Options Outstanding (C)		
Opening balance	-	-
Add: Deferred Employee Compensation Expense	-	-
Less: Transfer to General reserve	-	-
Closing balance	-	-
Retained earnings (D)		
Opening balance	(811.71)	(1,495.12)
Add: Profit after tax for the year	919.35	684.91
Less: Transaction cost	-	(1.50)
Closing balance	107.64	(811.71)
Share warrants (E)		
Opening balance	46.88	25.00
Add: Additions during the year **	-	21.88
Less: Issued equity shares	46.88	-
Closing balance	-	46.88
<p>(**The Company has vide board resolution dated February 14, 2024, had converted 20,00,000 convertible share warrants in to 20,00,000 equity shares havin a face value of ₹10 each at a price of ₹93.75 (including a premium of ₹83.75) issued to Ms. Akshali Shah).</p>		

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	As at March 31, 2024	As at March 31, 2023
Foreign Currency Convertible Bonds (FCCB) (F)		
Opening balance	106.80	106.80
Add: Additions during the year	-	-
Closing balance	106.80	106.80
Other Comprehensive Income (G)		
Opening balance	8.09	5.25
Add: Change during the year (net of tax)	(4.36)	2.84
Closing balance	3.73	8.09
Closing balance	8,045.16	7,009.56

Nature and purpose of reserves

(a) Securities Premium

The amount received in excess of face value of the equity shares is recognised as securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Act.

(b) General Reserves

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc. Mandatory transfer to general reserve is not required under the Act.

(c) Retained Earnings

Retained earnings are the profits that the Company has earned till date, net-off less any transfers to general reserve, dividends or other distribution to the shareholders.

(d) Employee Stock option outstanding

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense.

(e) Share Warrants

Share warrants are instruments that give their holder the right to buy the stock of the issuing company at a predetermined price within a stipulated time frame. They are similar to options, the holder of a warrant has the right (but not the obligation) to purchase the shares of a company at a specified price in the future.

(f) Other Comprehensive Income:

Remeasurement of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

Debt Instruments through Other Comprehensive Income: The fair value change of the debt instruments measured at FVTOCI is recognised in Debt instruments through OCI. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of profit and loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Fair value of cash flow hedges through Other Comprehensive Income: The effective portion of the fair value change of the cash flows hedges measured at FVTOCI is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flows relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the Statement of profit and loss at the same time as the related cash flows.

Other Comprehensive Income accumulated in Other Equity, net of tax

The disaggregation of changes in other comprehensive income by each type of reserve in equity is shown below:

Particulars	₹ Million			
	Remeasurements of defined benefit plans	Debt instruments through Other Comprehensive Income	Cash flow hedges through Other Comprehensive Income	Total
As at April 1, 2022	5.25	-	-	5.25
Remeasurement gain/(loss) on defined benefit plans	3.79	-	-	3.79
Gain/(loss) on debt instruments recognised in other comprehensive income	-	-	-	-
Fair value of cash flow hedges recognised in other comprehensive income	-	-	-	-
Reclassified to Statement of profit and loss	-	-	-	-
Income tax effect	(0.95)	-	-	(0.95)
As at March 31, 2023	8.09	-	-	8.09
Remeasurement gain/(loss) on defined benefit plans	(5.83)	-	-	(5.83)
Gain/(loss) on debt instruments recognised in other comprehensive income	-	-	-	-
Fair value of cash flow hedges recognised in other comprehensive income	-	-	-	-
Reclassified to Statement of profit and loss	-	-	-	-
Income tax effect	1.47	-	-	1.47
As at March 31, 2024	3.73	-	-	3.73

(g) Foreign Currency Convertible Bonds :

The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹145 per share which is subject to adjustments in accordance with the terms agreed between the parties and applicable law. FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 17: Non-Current - Borrowings

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Measured at amortised cost		
Unsecured		
FCCB Bond (Refer Note 17(a))	786.02	759.82
Secured		
Non convertible Debentures (NCD's) (Refer Note 17(b))	1,276.04	1,504.05
Term loans		
From banks		
Rupee currency loan (Refer Note 17(c))	8.84	48.87
Vehicle loan (Refer Note 17(d))	4.06	13.64
	12.90	62.51
Less: Current maturity related to above	(243.67)	(280.35)
Total	1,831.29	2,046.03

Notes:

(a) Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on May 28, 2021, the Company had issued 10,680 Foreign Currency Convertible Bonds (FCCB) having face value of USD 1,000 each through private placement of unlisted, unsecured, unrated to International Finance Corporation (IFC).

The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹145 per share which is subject to adjustments in accordance with the terms agreed between the parties and applicable law.

The Company has, vide its letter dated January 10, 2024, made an application to the Reserve Bank of India seeking prior approval for change in certain terms of aforesaid FCCBs. The approval for the same is awaited.

FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription.

Coupon offered, if any of FCCB's, are repayable in 10 semi annual instalments starting from June 15, 2021;

- i. interest at the rate of 2.5% p.a. payable in dollars semi-Annually on each payment date on the outstanding unconverted amount of FCCBs till such time that the volume weighted average price per equity share of the Company traded on the relevant stock exchange for a 3 month period is below ₹175 per share;
- ii. interest at the rate of 1.5% p.a. payable in dollars semi-Annually on each payment date on the outstanding unconverted amount of FCCBs till such time that the volume weighted average price per equity share of the Company traded on the relevant stock exchange for a 3 month period, is equal to or greater than ₹175 per share but below ₹200 per share; and
- iii. no interest shall be payable if the volume weighted average price per equity share of the Company traded on the relevant stock exchange for a 3 month period is equal to or greater than ₹200 per share."

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

- (b) Non-Convertible Debentures (NCDs) are payable as per Redemption Schedule w.e.f. June 15, 2023 to June 15, 2029 in thirteen instalments, half yearly on 15th June and 15th December of ₹115.38 Million each. The Company shall use the proceeds from the issue of the Debentures pursuant to this Deed to finance its future expansion plans and working capital requirements, in accordance with the Financial Plan and applicable law. The loan is secured by pari passu charge on Immovable Properties situated at Samudrapalle Village, Panchayathi Palamner Mandal, Andhra Pradesh together with all the erections and constructions of every description which are standing, erected or attached to the properties.
- (c) Indian rupee loans from a bank of ₹8.84 Million (March 31, 2023 : ₹48.87 Million) carry interest @ 9.65%-11.05%. The loans are repayable over 48-60 monthly instalments starting from March 2018, June 2019, July 2019, August 2019, September 2019, December 2019, and September 2020 along with interest. The loan is secured by pari passu charge on fixed assets and second pari passu charge on current assets of the Company and personal guarantee of Promoter Directors.
- (d) Hire purchase loan of ₹4.06 Million (March 31, 2023 : ₹13.65 Million) carries interest @ 7.45% to 9.35 % p.a. The loans are repayable in 60 monthly instalments to 36 monthly instalments starting from December 2018; November 2019 and May 2021. of ₹0.05 Million to ₹0.56 Million each. The loan is secured by specific assets financed (vehicles).
- (e) Average interest rate for the non-current borrowings is 7.45 - 11.25%.
- (f) Refer Note 36 for information about liquidity risk and market risk of borrowings.
- (g) All charges have been registered with the Registrar of Companies (RoC). The Company does not have charges or satisfactory which is yet to be registered with the RoC beyond the statutory period.

Note 18: Lease Liabilities – Non Current

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Lease liability (Refer Note 38)	99.57	78.86
Total	99.57	78.86

Note 19: Provisions

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Non-current:		
Provision for Employee benefits		
For compensated absences (Refer Note 39)	6.85	2.58
For gratuity (Refer Note 39)	25.76	33.50
Total	32.61	36.08
Current:		
Provision for Employee benefits		
For compensated absences (Refer Note 39)	2.14	4.27
Provision for gratuity (net) (Refer Note 39)	-	-
Total	2.14	4.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 20: Borrowings – current

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Secured		
Loans repayable on demand		
From banks- cash credit	3,020.16	2,855.26
Others		
Letter of Credit	282.28	88.17
Current maturities of long-term debt (Refer Note 17)	12.90	49.58
Non-convertible Debentures (NCDs) (Refer Note 17)	230.77	230.77
Total	3,546.11	3,223.78

Notes:

- (a) Cash credit from banks are secured by first *pari passu* charge on all current assets of the Company and second *pari passu* charge on property, plant and equipments of the Company, personal guarantee of Promoter Directors. The cash credit is repayable on demand and carries interest @ 8.45% p.a. to 12.25% p.a.
- (b) Bill discounting under LC / Non-LC are secured by hypothecation of bills covering inland / export sale.
- (c) Average interest rate for the current borrowings is 7.45% to 11.25%

Note 21: Lease Liabilities – Current

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Lease liability (Refer Note 38)	65.31	64.81
Total	65.31	64.81

Note 22: Trade payables

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
(A) Total outstanding dues of micro and small enterprises	118.87	12.65
(B) Total outstanding dues of creditors other than micro and small enterprises.*	1,742.50	1,285.52
Total	1,861.37	1,298.17

* Amount due to related parties (Refer Note 41)

Refer Note 36 for information about liquidity and market risk of trade payable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Notes :

(a) Ageing for trade payables from the due date of payment for each of the category as at March 31, 2024

₹ Million

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	70.46	41.39	6.93	0.09	-	118.87
Others	1,182.90	401.00	123.61	23.44	11.55	1,742.50
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	1,253.36	442.39	130.54	23.53	11.55	1,861.37

Ageing for trade payables from the due date of payment for each of the category as at March 31, 2023

₹ Million

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3.51	8.55	0.59	-	-	12.65
Others	122.03	1,128.26	29.91	-	5.33	1,285.52
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	125.54	1,136.81	30.50	-	5.33	1,298.17

(b) The Company has certain dues to supplies registered under as "micro" and "small" under Micro, Small and Medium Enterprises Act, 2006

The disclosures pursuant to the said MSMED Act are as follows:

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came in to force from October 2, 2006, certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the Management, the following disclosures are made for the amounts due to Micro and Small enterprises:

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	118.87	9.45
Interest	16.56	3.19
Amount of interest paid by the Company in terms of Section 16 of the MSMED, along with the amount of payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the delay in making payment (which have been paid but beyond the appointed day during the year) but without adding interest specified under MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year	29.97	13.41
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	29.97	13.41

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(c) This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no material overdue principal amounts to such vendor as at the Balance Sheet date.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 36.

Note 23: Other Current Financial Liabilities

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	75.04	55.04
Deposits - others	125.40	111.80
Employee related liabilities	90.26	83.69
Trade payable for capital goods other than payable to micro and small enterprises	201.67	55.06
Directors remuneration payable (Refer Note 41)	27.39	15.70
Total	519.75	321.29

Note : There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Act as March 31, 2024 (March 31, 2023 : Nil)

(a) Ageing for trade payables for capital goods from the due date of payment for each of the category as at March 31, 2024

Particulars	₹ Million					
	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	118.53	34.04	5.93	-	43.17	201.67
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	118.53	34.04	5.93	-	43.17	201.67

(b) Ageing for trade payables for capital goods from the due date of payment for each of the category as at March 31, 2023

Particulars	₹ Million					
	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	34.82	0.65	3.32	16.27	55.06
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	-	34.82	0.65	3.32	16.27	55.06

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 24: Other current liabilities

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payables	74.20	138.13
Advances from customers*	393.39	422.18
Total	467.59	560.31

(* Does not include financing component).

Note 25 : Revenue from Operations

₹ Million

Particulars	2023-24	2022-23
Sale of products	30,291.70	28,144.34
Other operating revenue	606.56	387.66
Total	30,898.26	28,532.00

Disaggregation of revenue from contract with customers

The Company has determined the categories of disaggregation of revenue considering the types / nature of contracts. The Company derives revenue mainly from the transfer of goods.

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Revenue from contract with customers:		
Sale of products	30,291.70	28,144.34
Sale of services	-	-
	30,291.70	28,144.34
B. Other operating revenues		
Processing charges	192.46	61.89
Export benefits and incentives	0.38	0.96
Package Scheme of Incentive	269.24	240.01
Production Linked Incentive	137.22	58.98
Scrap sale	7.26	15.82
Bio-Gas subsidy	-	10.00
	606.56	387.66
Total	30,898.26	28,532.00
(i) Timing of revenue recognition		
Goods transferred at a point in time	30,298.96	28,160.16
Goods transferred over the time	-	-
Total revenue from contract with customers	30,298.96	28,160.16
Add: Processing charges	192.46	61.89
Export benefits and incentives	0.38	0.96
Package Scheme of Incentives	269.24	240.01
Production Linked Incentives	137.22	58.98
Bio-Gas subsidy	-	10.00
Total revenue from operations	30,898.26	28,532.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(ii) Disaggregation of revenue based on product		
Liquid milk	3,127.05	2,881.70
Milk products	26,144.63	24,426.72
Other Consumer products	1,020.02	835.92
Total revenue from contract with customers	30,291.70	28,144.34
(iii) Revenue by location of customers		
India	29,931.45	27,853.87
Outside India	367.51	306.29
Total revenue from contract with customers	30,298.96	28,160.16
Add: Processing charges	192.46	61.89
Export benefits and incentives	0.38	0.96
Package Scheme of Incentive	269.24	240.01
Production Linked Incentive	137.22	58.98
Bio-Gas subsidy	-	10.00
Total revenue from operations	30,898.26	28,532.00
Reconciliation of revenue recognised in statement of profit and loss with contracted price		
Revenue as per contracted price	31,914.69	29,089.84
Less: Discount / Rebates	(1,615.73)	(929.68)
Total revenue from contract with customers	30,298.96	28,160.16
Add: Processing charges	192.46	61.89
Export benefits and incentives	0.38	0.96
Package Scheme of Incentive	269.24	240.01
Production Linked Incentive	137.22	58.98
Bio-Gas subsidy	-	10.00
Total revenue from operations	30,898.26	28,532.00

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Notes :

- (a) In accordance with Indian Accounting Standard (Ind AS) 20, *Accounting for Government Grants and Disclosure of Government Assistance*, the Company has accounted for Industrial Promotion Subsidy under Package Scheme of Incentives, 2013 amounting to ₹269.24 Million (March 31, 2023: ₹240.01 Million), Production Link Incentives Scheme, 2021 amounting to ₹137.22 Million (March 31, 2023: ₹58.98) as Other Operating Income in Statement of profit and loss.
- (b) The Company has also accounted for export subsidy and bio-gas subsidy amounting to ₹0.38 Million (March 31, 2023: ₹0.96 Million) and ₹Nil (March 31, 2023: ₹10 Million) respectively as Other Operating Income in Statement of profit and loss.
- (c) Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.
- (d) i) The Company does not have any contract asset as at March 31, 2024; (March 31, 2023 : Nil)
ii) The Company does not have any contract liability as at March 31, 2024; (March 31, 2023 : Nil)
iii) The Company does not receive 10% or more of its revenue from transaction with any single external customer.
- (e) Cost to obtain the contract
i) Amortisation in Statement of Profit and Loss :- Nil (Previous Year :- Nil)
ii) Recognised as contract assets at March 31, 2024:- Nil (Previous Year :- Nil)

Note 26: Other income

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
On Financial assets measured at amortised cost		
Bank deposits	36.53	33.32
Others*	5.08	16.26
Exchange fluctuation gain (net)	1.99	10.32
Provision written-back (net)	14.66	267.53
Net gain on sale or fair valuation of investments	7.65	0.42
Miscellaneous income	21.64	23.77
Total	87.55	351.62

(* Includes interest received on loan to related party for financial year 2022-23 (subsidiary company)).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 27 : Cost of materials consumed

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials consumed		
Inventory at the beginning of the year	105.69	71.05
Add: Purchases during the year	22,358.34	22,101.18
	22,464.03	22,172.23
Less: Inventory at the close of the year	(41.95)	(105.69)
Cost of materials consumed	22,422.08	22,066.54
Packing materials, stores spares and consumables consumed		
Inventory at the beginning of the year	475.35	318.47
Add: Purchases during the year	1,869.97	1,871.34
	2,345.32	2,189.81
Less: Inventory at the close of the year	(387.48)	(475.35)
Cost of materials consumed	1,957.84	1,714.46
Total	24,379.92	23,781.00

Note 28: Changes in inventories of finished goods, stock-in-trade and work-in-progress

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories - Milk Products		
Inventory at the beginning of the year		
Finished goods	3,291.65	1,840.74
Work-in-progress	1,709.87	2,451.28
Stock-in-trade	-	-
	5,001.52	4,292.02
Less: Inventory at the close of the year		
Finished goods	3,511.98	3,291.65
Work-in-progress	2,041.21	1,709.87
Stock-in-trade	-	-
	5,553.19	5,001.52
Changes in inventories:		
Finished goods	(220.31)	(1,450.91)
Work-in-progress	(331.34)	741.41
Stock-in-trade	-	-
Net increase / (decrease)	(551.67)	(709.50)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 29: Employee benefits expense

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages (including compensated absences)	924.21	797.18
Contributions to provident and other funds (Refer Note 39)	40.52	34.38
Gratuity (Refer Note 39)	10.43	8.94
Staff welfare expenses	69.16	41.95
Total	1,044.32	882.45

Note 30: Finance costs

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest Expenses on		
Borrowings	514.05	510.72
Lease liability (Refer Note 38)	15.32	16.97
Others	158.82	0.88
Total	688.19	528.57

Note 31: Depreciation and amortisation expense

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Property, plant and equipment	484.11	479.45
Amortisation of Intangible assets	1.80	4.19
Depreciation of Right-of-Use assets (Leased assets)	71.14	57.09
Total	557.05	540.73

Note 32: Other expenses

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Transport and freight charges	876.57	839.10
Power and fuel	466.03	428.52
Rent (Refer Note 38)	156.67	121.23
Rates and taxes	99.36	62.48
Insurance	22.94	4.13

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Repairs and maintenance		
- Plant and machinery	92.33	56.74
- Building	16.40	9.47
- Others	14.30	12.81
Packing charges	155.49	132.75
Labour charges	161.93	168.05
Exchange fluctuation (net)	25.47	24.27
Security charges	15.99	13.97
Travelling and conveyance	66.55	42.17
Legal and professional fees	159.02	117.75
Director's remuneration (Refer Note 41)	93.51	48.00
Sales promotion, commission and advertisement	1,246.14	697.09
Commission on sales	72.34	45.35
Impairment allowance on Trade receivable (net)	139.83	42.59
Impairment allowance on doubtful advances (net)	3.19	-
Expenditure towards Corporate Social Responsibility	6.10	-
Fair valuation loss - investment	-	1.19
Laboratory test charges	15.91	14.87
Communication, broadband and internet	28.11	9.42
Auditors remuneration (Refer Note 32.1)	3.18	4.02
Miscellaneous expenses	102.18	292.53
Total	4,039.53	3,188.50

Additional Information to be disclosed by way of Notes to Statement of profit and loss

32.1 Details of payments to auditors

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Auditors remuneration (excluding taxes)		
(a) Audit fees	3.60	2.64
(b) For others services	0.96	0.25
(c) For re-imburement of expenses	0.40	1.13
Total	4.96	4.02

₹ Million

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

32.2 Undisclosed income

There are no transactions which are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

32.3 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual currency during the financial year 2023-24 and 2022-23

Note 33: Disclosure pursuant to Indian Accounting Standard (Ind AS) 12, Income Taxes

(a) The major components of recognised deferred tax assets/ (liabilities) arising on account of timing differences are as follows:

For the year ended March 31, 2024

₹ Million

Particulars	Net balance April 1, 2023	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2024
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	208.99	(65.29)	-	143.70
Right-of-Use Asset	-	39.75	-	39.75
Sub-Total	208.99	(25.54)	-	183.45
Deferred tax assets				
Expected credit loss on financial assets	170.56	38.95	-	209.51
Expenses allowed on payment basis	23.86	(15.11)	1.47	10.22
Lease Liabilities	-	41.50	-	41.50
Sub-Total	194.42	65.34	1.47	261.23
Net Deferred tax assets / (liabilities)	(14.57)	90.88	1.47	77.78

For the year ended March 31, 2023

₹ Million

Particulars	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2023
Deferred tax liabilities				
Property, plant and equipment and Intangible assets	248.09	(39.10)	-	208.99
Sub-Total	248.09	(39.10)	-	208.99
Deferred tax assets				
Expected credit loss on financial assets	212.46	(41.90)	-	170.56
Expenses allowed on payment basis	8.97	15.84	(0.95)	23.86
Sub-Total	221.43	(26.06)	(0.95)	194.42
Net Deferred tax assets / (liabilities)	(26.66)	13.04	(0.95)	(14.57)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(b) Income tax expense

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax expense		
Current tax		
Current tax on profits for the year	-	-
Adjustments for current tax of earlier periods	-	-
Total	-	-
<i>Deferred tax</i>		
Deferred tax charge / (credit)	(90.88)	(13.04)
MAT credit	-	-
Total	(90.88)	(13.04)
Income tax expense	(90.88)	(13.04)

The Company has not created deferred tax asset on the following tax losses :

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Unabsorbed brought forward business loss	4,342.74	4,766.35
Unabsorbed depreciation	423.61	423.61
Total	4,766.35	5,189.96

(c) Amounts recognised in Other Comprehensive Income

₹ Million

Particulars	For the year ended March 31, 2024			For the year ended March 31, 2023		
	Before tax	Tax (Expense) /Benefit	Net of tax	Before tax	Tax (Expense) / Benefit	Net of tax
Items that will not be reclassified to profit or loss						
Remeasurement of the defined benefit plans	5.83	(1.47)	4.37	3.79	(0.95)	2.83

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(d) Reconciliation of effective tax rate:

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before tax	828.47	671.87
Applicable tax rate*	25.17%	25.17%
Expected income tax expense	208.51	169.10
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of non deductible expenses	(22.92)	(39.18)
Others	(276.47)	(144.94)
Income tax expense	(90.88)	(15.02)
Effective tax rate	(10.97%)	(2.24%)

(* The Company has elected to exercise the option permitted under Section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019).

Note : 34 Assets pledged as security

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Assets		
Financial assets		
Trade Receivables	2,352.82	1,598.70
Cash and cash equivalents	100.43	130.31
Bank Balance other than Cash and Cash Equivalents	170.16	14.98
	2,623.41	1,744.00
Non-financial assets		
Inventories	5,982.62	5,582.56
Other current assets	4,107.63	3,691.07
Total Current assets pledged as security	10,090.25	9,273.63
Non Current assets		
Non-financial assets		
Land	181.94	161.60
Building	608.67	577.06
Furniture, fittings and equipment	28.83	21.71
Plant and equipments	2,049.72	2,176.72
Others	49.75	47.09
Intangible assets	8.94	1.94
Total non-current assets pledged as security	2,927.85	2,986.12
Total assets pledged as security	15,641.51	14,003.75

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 35: Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, Financial Instruments - Disclosures

A. Accounting classification and fair values

The under mentioned table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Includes financial instruments measured using quoted prices for identical instrument in an active market. This includes listed equity instruments, traded bonds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and the mutual funds are valued using closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market inputs directly or indirectly and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

₹ Million

As at March 31, 2024	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Investments - Subsidiary		1,042.27	1,042.27	-	-	1,042.27	1,042.27
Others							
Other financial assets (Non-current)	-	29.07	29.07	-	-	-	-
Trade receivable	-	2,352.82	2,352.82	-	-	-	-
Cash and cash equivalents	-	100.43	100.43	-	-	-	-
Other bank balances	-	170.16	170.16	-	-	-	-
Total	-	3,694.75	3,694.75	-	-	1,042.27	1,042.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

As at March 31, 2024	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial liabilities							
Borrowings - Non-current	-	1,831.29	1,831.29	-	-	-	-
Borrowings - current	-	3,546.11	3,546.11	-	-	-	-
Trade payables	-	1,861.37	1,861.37	-	-	-	-
Other financial liabilities	-	519.75	519.75	-	-	-	-
Total	-	7,758.53	7,758.53	-	-	-	-

₹ Million

As at March 31, 2023	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Investments - Subsidiary	-	622.64	622.64	-	-	622.64	622.64
Investments - Mutual funds	50.00	-	50.00	49.23	-	-	49.23
Others							
Other financial assets (Non-current)	-	315.34	315.34	-	-	-	-
Trade receivable	-	1,598.70	1,598.70	-	-	-	-
Cash and cash equivalents	-	130.31	130.31	-	-	-	-
Other bank balances	-	14.98	14.98	-	-	-	-
Total	50.00	2,681.98	2,731.97	49.23	-	622.64	671.88
Financial liabilities							
Borrowings - Non-current	-	2,046.03	2,046.03	-	-	-	-
Borrowings - current	-	3,223.78	3,223.78	-	-	-	-
Trade payables	-	1,298.17	1,298.17	-	-	-	-
Other financial liabilities	-	321.29	321.29	-	-	-	-
Total	-	6,889.27	6,889.27	-	-	-	-

Fair Value Measurement using significant unobservable inputs (LEVEL 3)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

The following table presents the changes in level 3 items for the periods ended March 31, 2024 and March 31, 2023. ₹ Million

Particulars	Investment in subsidiary
As at March 31, 2022	622.64
(Gain) / loss recognised in the Statement of profit and loss	-
(Gain) / loss recognised in the Other Comprehensive Income	-
As at March 31, 2023	622.64
(Gain) / loss recognised in the Statement of profit and loss	-
(Gain) / loss recognised in the Other Comprehensive Income	-
As at March 31, 2024	1,042.27

Note 36: Financial Risk Management

Risk management framework

The Company has in place a mechanism to inform the Board about the risk assessment and the risk minimization procedures in place and periodical review to ensure that management controls risk through means of a properly defined framework. The Company has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Company to comply with the rules of the regulator.

The Company's audit committee also oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Company's principal financial liabilities, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments in equity shares, loans, trade and other receivables, and cash and cash equivalents that the Company derives directly from its operations. The Company also holds FVTOCI/FVTPL investments.

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

This note explains the sources of risk to which the Company is exposed to and how the entity manages the risk.

(A) Credit risk

Trade and Other receivables

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The risk arises principally from the Company's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

The company has adopted a policy of dealing with credit worth counter parties and obtaining collateral where appropriate as a means of mitigating the risk of financial loss from defaults

Concentration of credit risk with respect to Trade receivables are limited, due to the customer base being large, diverse and across sector and countries. All trade receivables are reviewed and assessed for default on quarterly basis.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are General trade, Modern trade, Institutional and Horeca customers. Outstanding customers dues are regularly monitored. The company exposure are continuously monitored.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Outstanding for a period not exceeding six months	2,304.53	1,595.00
Outstanding for a period exceeding six months	683.50	542.92
Gross trade receivables	2,988.03	2,137.92
Less: Allowance for expected credit loss	(635.21)	(539.21)
Net trade receivables	2,352.82	1,598.71

On account of adoption of Ind AS 109, Financial Instruments, the Company uses expected credit loss model to assess the impairment loss. The Company computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Company's historical experience for customers. The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

The movement in the loss allowance in respect of trade receivables is as follows

Loss allowance on trade receivables	₹ Million
	Amount
Balance as at April 1, 2022	683.02
Add: Impairment loss recognised	-
Less: Reversal of allowance for expected credit loss	(143.80)
Balance as at March 31, 2023	539.22
Add: Impairment loss recognised	-
Less: Reversal of allowance for expected credit loss	96.00
Balance as at March 31, 2024	635.22

Cash and bank balances:

Credit risk on cash and bank balances is limited as the company generally transacts with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

(B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft/ cash credit facility. The Company also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities. The Company has access to a sufficient sources of short term funding with existing lenders that could be arrange upon should there be need.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are at gross and undiscounted.

₹ Million					
Contractual maturities of financial liabilities as at March 31, 2024	Carrying value	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives financial liabilities					
Borrowings - Non-current (including interest accrued but not due)	1,906.33	318.71	230.77	1,356.86	1,906.33
Borrowings - current	3,546.11	3,546.11	-	-	3,546.11
Trade payables	1,861.37	1,695.75	130.54	35.08	1,861.37
Lease liability	164.88	65.31	38.25	61.32	164.88
Other financial liabilities	444.72	444.72	-	-	444.72
Total Non-derivative liabilities	7,923.41	6,070.60	399.56	1,453.26	7,923.41

₹ Million					
Contractual maturities of financial liabilities as at March 31, 2023	Carrying value	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives financial liabilities					
Borrowings - Non-current (including interest accrued but not due)	2,101.07	146.89	126.10	1,828.08	2,101.07
Borrowings - current	3,223.78	3,223.78	-	-	3,223.78
Trade payables	1,298.17	1,262.34	30.50	5.33	1,298.17
Lease liability	143.67	64.81	52.30	26.56	143.67
Other financial liabilities	266.25	266.25	-	-	266.25
Total Non-derivative liabilities	7,032.94	4,964.07	208.90	1,859.97	7,032.94

(C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all current and non current. The Company is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

(i) Foreign currency exchange rate risk

The Company is subject to risk of changes in foreign currency values that impact costs of imported raw material and import of equipment for expansion of plants, primarily with respect to USD and EURO. The Company's business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations.

The Company has not entered into any derivative transactions during the year and there were no derivative transactions outstanding as on March 31, 2024

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(a) The Company unhedged exposure to foreign currency risk at the end of the reporting period are as follows

₹ Million

Sr no	Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
			Amount			
A	Financial assets		₹	Foreign currency	₹	Foreign currency
(i)	Trade receivables	USD	48.42	0.58	52.47	0.64
B	Financial liabilities					
(i)	FCCB	USD	786.02	10.68	759.82	10.68
	Interest Payable on FCCB	USD	-	-	6.47	0.08
(ii)	Trade payables	EURO	(0.13)	(0.00)	(5.88)	(0.07)
		CHF	(0.06)	(0.00)	-	-

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at March 31, 2024 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ Million

	Profit / (loss) before tax gain / (loss)		Equity, gross of tax	
	Strengthening	Weakening	Increased	(Decreased)
March 31, 2024				
Effect in ₹				
1 % movement				
USD	(0.48)	0.48	(0.48)	0.48
EUR	(0.00)	0.00	(0.00)	0.00
CHF	(0.00)	0.00	(0.00)	0.00
March 31, 2023				
Effect in ₹				
1 % movement				
USD	(0.46)	0.46	(0.46)	0.46
EUR	(0.06)	0.06	(0.06)	0.06

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(i) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

The company's borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in *Ind AS 107, Financial Instruments: Disclosures*, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

Company's interest rate risk arises from borrowings. The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows :

₹ Million		
Particulars	March 31, 2024	March 31, 2023
Fixed rate instruments		
Financial assets		
Bank deposits	402.52	415.53
Total	402.52	415.53

₹ Million		
Particulars	March 31, 2024	March 31, 2023
Variable rate instruments		
Financial liabilities		
Non-current borrowings	1,831.29	2,046.03
Current maturities of Non-current borrowings	243.67	280.35
Current borrowings	3,302.44	2,943.43
Total	5,377.41	5,269.82

(b) Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit / (loss) - increase / (decrease) in profit	
	March 31, 2024	March 31, 2023
Interest rates – increase by 100 basis points *	(53.77)	(52.70)
Interest rates – decrease by 100 basis points *	53.77	52.70

(* Holding all other variables constant)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 37: Capital Management

(a) Risk Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic plans and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares.

The Company monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

(b) Dividend

The Board of Directors of the Company has recommended dividend of ₹0.50 (Fifty Paise) per equity shares of the face value of ₹10 each for the financial year ended March 31, 2024 which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Net Debt Reconciliation

The Company's adjusted net debt to equity ratio are as follows.

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Borrowings		
Long-term and Short-term borrowings	5,133.74	4,989.46
Current maturities of Long-term borrowings	243.67	280.35
Less: Cash and cash equivalents	(431.98)	(496.48)
Adjusted net debt	4,945.42	4,773.33
Total Equity	9,237.16	8,181.56
Adjusted net debt to equity ratio	0.54	0.58

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital of the Company during the current and previous year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 38:- Disclosure pursuant to Indian Accounting Standard (Ind AS) 116, Leases

The company has entered into commercial leases for taking building (office spaces) and Plant & Equipment on lease. These leases have an average term of three to five years included in the agreements. There are no restrictions placed upon the Company by entering into these leases. Some of the lease arrangements also include a non-cancellable period, purchase option and escalation clauses. The Company has not given any sub lease during the year.

A. Right-of-Use assets

	₹ Million	
Carrying Value	March 31, 2024	March 31, 2023
Opening balance	284.84	248.79
Additions/ (Deletions)	101.29	36.05
Disposal / derecognized during the year	-	-
Closing balance	386.12	284.84

	₹ Million	
Accumulated depreciation	March 31, 2024	March 31, 2023
Opening balance	157.04	99.95
Additions/ (Deletions)	71.14	57.09
Disposal / derecognized during the year	-	-
Closing balance	228.18	157.04

B. Lease Liabilities

	₹ Million	
Particulars	March 31, 2024	March 31, 2023
Opening balance	143.66	162.60
Additions	101.29	36.05
Accredition of interest	15.32	16.97
Payments	95.39	71.96
Closing balance	164.88	143.66

	₹ Million	
Lease liabilities	March 31, 2024	March 31, 2023
Current	65.31	64.81
Non - current	99.57	78.86
Total	164.88	143.66

C. Disclosure for minimum lease rentals payable under non-cancellable lease agreements are as below:

	₹ Million	
Lease liabilities	March 31, 2024	March 31, 2023
Not later than one year	48.54	75.56
Later than one year and not later than five years	39.45	84.38
Total	87.98	159.94

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

D. Amounts to be recognised in Statement of profit and loss for the year ended March 31, 2024

₹ Million

Particulars	March 31, 2024	March 31, 2023
Depreciation expense of Right-of-Use assets	71.14	57.09
Interest expense on lease liabilities	15.32	16.97
Total	86.46	74.06

Total cash out flow for lease amount of ₹82.82 Millions during the year (previous year: ₹71.96 Millions) including cash outflow of short term and low value leases

E. Lease rent

₹ Million

Particulars	March 31, 2024	March 31, 2023
Lease payments recognised for short term leases in Statement of Profit and Loss during the year	156.67	121.23
Total	156.67	121.23

Notes:

As at balance sheet date, the company is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets

The effective interest rate for lease liabilities is 10-11%, with maturity between financial years 2024-2025 to 2028-2029.

The Company has recognised expenses relating to short term leases and low value leases in the statement of profit and loss directly for which the recognition exemption has been applied.

Note 39: Disclosure pursuant to Indian Accounting Standard (Ins AS) 19, Employee Benefits

A. Defined contribution plan

The Company has recognised an amount of ₹40.52 Million (March 31, 2023: ₹34.38 Million) as expenses under the Defined Contribution Plans in the Statement of profit and loss as below:

₹ Million

Benefit/Contribution to	March 31, 2024	March 31, 2023
Provident Fund	35.26	29.50
National Pension Scheme	1.24	0.63
Employees State Insurance	4.02	4.12
Labour Welfare Fund	-	0.13
Total	40.52	34.38

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

B. Defined Benefit Plan- Gratuity

The Company operates a defined benefit gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The plan entitles an employee who has completed at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the last drawn wage by the employee concerned, subject to the maximum limit specified under the Payment of Gratuity Act, 1972 as amended from time to time. The gratuity amount is payable on termination of the employee or retirement whichever event is earlier, the benefit vest after five years of continuous service.

The defined benefit gratuity plan is administered by a Trust that is legally separate from the Company. The gratuity plan is a funded plan, managed by Life Insurance Company ("LIC") and the Company's makes annual contributions to Group Gratuity cum Life Assurance Scheme managed by LIC.

The most recent actuarial valuation of the defined benefit obligation was carried out as at March 31, 2024. The present value of the defined benefit obligations and the related current service cost and past service costs were measured using Projected Unit Credit Method.

These plans typically expose the Company to actuarial risks such as: inherent interest rate risk, longevity risk and salary risk.

Investment Risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Market Risk (Interest Rate)	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Longevity Risk	The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.
Actuarial Risk	Salary Increase Assumption - Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected.
	Attrition/Withdrawal Assumption- If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions
Regulatory Risk	Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

Based on the actuarial valuation obtained in respect of gratuity, the table below sets out the status of the gratuity plan and the amounts recognized in the Company's financial statements as at the balance sheet date.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

	₹ Million	
Defined benefit plans	March 31, 2024	March 31, 2023
I Expenses recognised in statement of profit and loss during the year:		
Current service cost	8.60	7.89
Past service cost	-	-
Expected return on plan assets	(2.78)	(2.56)
Interest cost on benefit obligation	4.61	3.61
Total Expenses	10.43	8.94
II Expenses recognised in OCI		
Actuarial (gain) / loss due to demographic assumption changes in DBO	-	-
Actuarial (Gain) / loss due to financial assumption changes in DBO	0.83	(1.98)
Actuarial (Gain)/ loss due to experience on DBO	4.55	5.76
Return on Plan Assets (greater) / less than Discount rate	0.45	0.01
Total Expenses	5.83	3.79
III Net asset / (liability) recognised as at balance sheet date:		
Present value of defined benefit obligation	(83.72)	(71.02)
Fair Value of plan assets	57.96	37.52
Funded status [(Deficit)]	(25.76)	(33.50)
IV Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	71.02	60.27
Current service cost	8.60	7.89
Interest cost	4.61	3.61
Actuarial (gain) / loss	5.04	3.74
Benefits paid	(5.55)	(4.49)
Present value of defined benefit obligation at the end of the year	83.72	71.02
V Movements in fair value of the plan assets		
Opening fair value of plan assets	37.51	37.70
Expected returns on plan assets	2.78	2.56
Actuarial gain / (loss) on Plan assets	(0.45)	(0.01)
Contribution from employer	23.67	1.75
Benefits paid	(5.55)	(4.49)
Closing fair value of the plan asset	57.96	37.51

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Defined benefit plans	March 31, 2024	March 31, 2023
VI Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	21.00	17.82
Between 2 to 5 years	41.89	36.13
Between 6 to 10 years	31.57	26.61
Over 10 years	28.53	24.62
VII Quantitative sensitivity analysis for significant assumptions is as below:		
1 Increase / (decrease) on present value of defined benefit obligation at the end of the year		
(i) +100 basis points increase in discount rate	(4.14%)	(4.10%)
(i) -100 basis points decrease in discount rate	4.55%	4.50%
(iii) +100 basis points increase in rate of salary increase	4.53%	4.50%
(iv) -100 basis points decrease in rate of salary increase	(4.20%)	(4.18%)
2 Sensitivity analysis method		
Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.		
VIII Actuarial Assumptions:		
Discount rate	7.19%	7.42%
Expected return on assets	7.42%	6.79%
Expected rate of salary increase	6.00% p.a	6.00% p.a
Withdrawal rate	14.00%	14.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

- a) The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.
- b) The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- c) The gratuity fund is managed by life insurance company, details of fund invested by insurer are not available with company.
- d) The Company expects to make a contribution of ₹21.00 Million to the defined benefit plans (gratuity - funded) during the next financial year.
- e) The average duration of the defined benefit plan obligation at the end of the reporting period is 6.32 years.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

C. Annual leave and sick leave (compensated absence)

The liability towards compensated absences (annual leave and sick leave) for the year ended March 31, 2024 based on actuarial valuation carried out by using Projected Unit Credit method resulted in increased in liability by ₹2.14 Million. (Previous Year- increased by ₹. 0.08 Million) Total liability on account of compensated absences as on March 31, 2024 is ₹8.99 Million (March 31, 2023 : ₹6.85 Million)

Financial Assumptions	March 31, 2024	March 31, 2023
Discount rate	7.19%	7.42%
Basic salary increases allowing for price inflation	6.00% -7.00%	6.00% -7.00%

Demographic Assumptions	March 31, 2024	March 31, 2023
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee turnover	14.00%	14.00%
Leave Availment Ratio	5%	15% for two years

Note 40: Contingent liabilities and Commitments

Sr no	Particulars	₹ Million	
		March 31, 2024	March 31, 2023
(A) Contingent liabilities			
a)	Sales tax matter under litigation in respect of Company for FY 2009-10, F.Y. 2010-11 for pending forms and lower allowance on account of Central Quantum Benefit, against which appeal has been filed.	39.74	40.20
b)	Goods and Service Tax matter under litigation in respect of Company for FY 2017-18 & FY 2018-19	41.30	6.44
c)	Income tax matter under litigation for the AY 2013-14 to AY 2014-15, AY 2016-17 and AY 2018-19 to AY 2022-23	455.99	545.96
(B) Commitments			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances).	14.22	164.60

Notes:

- The Company is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Company believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given accounting period.
- The amounts shown above represent the best possible estimates of pending litigations/disputes arrived at on the basis of available information. The above do not include potential risks/demands, if any, for ongoing issues where no claims have been made against the Company.
- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 41: Disclosure pursuant to Indian Accounting Standard (Ind AS) 24, Related Party Disclosures

(i) Names of related parties and nature of relationship:

Description of relationship	Name of the related party
A. Enterprise where company exercise control	
Subsidiary	Bhagyalaxmi Dairy Farms Private Limited
B. Other related parties	
Key Management Personnel (KMP)	Mr. Devendra Shah – Chairman Mr. Pritam Shah – Managing Director & Interim CFO Ms. Akshali Shah – Executive Director (w.e.f Dec 25, 2022) Mr. Surendra Malaviya – Interim CFO (till April 28, 2023) Mr. Krishnamurthy Suryanarayan – CFO (till Nov 13, 2022) Mrs. Rachana Sanganeria – CS (till Sept 30, 2022) Mr. Virendra Varma – CS (w.e.f Oct 18, 2022)
Directors	Mr. Nitin R. Dhavalikar – Director Ms. Radhika Dudhat – Director Mr. Narendra Ambwani – Director Mr. Ramesh Chandak – Director (till Aug 12, 2022) Mr. B. M. Vyas – Director (till June 29, 2022) Mr. Dnyanesh Vishnu Darshane (w.e.f. Dec 25, 2022) Mr. Nikhil Vora
Relative of Key Management Personnel	Mr. Poojan Shah – Son of Mr. Devendra Shah (Chairman) Mrs. Priti Shah – Spouse of Mr. Devendra Shah (Chairman) Mrs. Netra Shah – Spouse of Mr. Pritam Shah (Managing Director) Mr. Stavan Shah – Son of Mr. Pritam Shah (Managing Director)
Entity in which KMP can exercise significant influence	Bharat Trading Company SBM Advisors LLP

(ii) Details of transactions between the Company and related parties for the year ended March 31, 2024:

(a) Transaction during the year

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Purchase of Goods		
Bhagyalaxmi Dairy Farms Private Limited	470.48	293.20
Sale of Goods		
Bhagyalaxmi Dairy Farms Private Limited	18.72	97.12

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FOR THE YEAR ENDED MARCH 31, 2024

Particulars	March 31, 2024	March 31, 2023
Remuneration to Key Management Personnel and their relatives *		
Devendra Shah	24.00	24.00
Pritam Shah	24.00	24.00
Rachana Sanganeria (CS)	-	1.42
Virendra Varma (CS)	2.26	0.89
Akshali Shah		
- Short term employee benefits	8.62	4.87
- Post employment benefits	0.16	0.16
Poojan Shah	2.13	1.16
Stavan Shah	2.13	1.11
Surendra Malaviya	-	1.83
Krishnamurthy Suryanarayan	-	1.02
Rent Payment		
Bhagalaxmi Dairy Farms Private Limited	4.80	3.63
Devendra Shah	7.44	7.44
Pritam Shah	4.20	4.28
Priti Shah	0.24	0.24
Netra Shah	0.24	0.24
Reimbursement of expenses KMP		
Devendra Shah	0.90	2.61
Pritam Shah	2.59	2.48
Akshali Shah	2.34	-
Commission to Directors		
Devendra Shah	9.46	-
Pritam Shah	9.46	-
Akshali Shah	9.46	-
Nitin R. Dhavalikar	2.15	-
Radhika Dudhat	2.23	-
Narendra Ambwani	1.98	-
Dnyanesh Vishnu Darshane	1.98	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	March 31, 2024	March 31, 2023
Director sitting fees		
Nitin R. Dhavalikar	1.30	2.20
Radhika Dudhat	1.00	1.20
Narendra Ambwani	1.10	1.40
Ramesh Chandak	-	0.50
BM Vyas	-	0.20
Dnyanesh Vishnu Darshane	1.10	0.10
Consultancy fee including out of pocket expenses		
B.M. Vyas	-	0.48
Advances granted		
Bhagyalaxmi Dairy Farms Private Limited	191.51	122.91
Share warrants issued/Equity Shares issued		
Devendra Shah	-	555.00
Netra Shah	-	555.00
Akshali Shah	20.00	-
Loans granted		
Bhagyalaxmi Dairy Farms Private Limited	-	300.00
Investment in Subsidiary-(Subscription to equity shares)		
Bhagyalaxmi Dairy Farms Private Limited	419.63	-
Interest Income received during the year		
Bhagyalaxmi Dairy Farms Private Limited	-	14.73

(* The remuneration to the key managerial personnel and their relatives (if any) comprises of only short term benefits and does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Further, the remuneration to key managerial personnel does not include employee stock compensation expense.)

(b) Details of balances outstanding as at March 31, 2024 :

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Amount Payable to		
Devendra Shah	9.65	8.09
Pritam Shah	17.74	7.60
Nitin R. Dhavalikar	0.82	-
Radhika Dudhat	0.96	-
Narendra Ambwani	0.86	-
Dnyanesh Vishnu Darshane	0.86	-
Virendra Varma (CS)	0.17	0.15

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	March 31, 2024	March 31, 2023
B.M. Vyas	-	0.60
Akshali Shah	-	0.43
Poojan Shah	0.18	0.10
Netra Shah	0.59	0.38
Priti Shah	0.59	0.38
Stavan Shah	0.18	0.10
Personal guarantee issued by		
Devendra Shah and Pritam Shah	3,952.90	3,339.99
Interest accrued on advances		
Bhagalaxmi Dairy Farms Private Limited	-	14.73
Loans receivable		
Bhagalaxmi Dairy Farms Private Limited	-	300.00
Advances receivable		
Bhagalaxmi Dairy Farms Private Limited	191.51	122.91
Investments		
Bhagalaxmi Dairy Farms Private Limited	1,042.27	622.64

Note 42: Disclosure pursuant to Indian Accounting Standard (Ind AS) 33, Earnings Per Share

₹ Million

Particulars	March 31, 2024	March 31, 2023
Profit attributable to Equity shareholders (₹ Million) (A)	919.35	684.91
Amount of interest debited to statement of profit and loss for convertible bonds (₹ Million)	11.94	16.33
Weighted average number of Equity shares for basic EPS (B) (Nos)	11,74,56,657	10,50,68,319
Effect of Dilution :		
Weighted average number of treasury shares held through ESOP Trust (C) (Nos)	1,76,015	1,76,015
Number of shares under share warrant and FCCB (D) (Nos)	53,28,942	53,28,942
Weighted average number of Equity shares adjusted for the effect of dilution (B+C+D) = (E) (Nos)	12,29,61,613	11,05,73,276
Basic EPS (Amount in ₹) (A/B)	7.83	6.52
Diluted EPS (Amount in ₹) (A/E)	7.58	6.34

Basic: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares held as treasury shares.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 43: Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, Operating Segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer (CEO) to make decisions about resources to be allocated to the segments and assess their performance. The Group is in the business of processing and selling milk and milk products. The Group's Chief Executive Officer who is identified as Chief Operating Decision Maker (CODM) reviews the performance of the Group on the basis of economic performance for Liquid Milk, Products and Curd. For the purpose of reporting the operating segments, all the three segments have been aggregated as a single reporting segment under the provisions of Ind AS 108 'Operating Segments' as the nature of products, the production and distribution process, class of customers and the regulatory environment is similar for all the segment. Thus, the segment revenue, segment profit, total segment assets and liabilities are all as reflected in the consolidated financial statements as at and for the years ended 31 March 2024 and 31 March 2023.

Geographical information in relation to revenue and non-current assets are as below:

(a) Revenue from operations

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Within India	29,931.45	27,853.87
Outside India	367.51	306.29
Total	30,298.96	28,160.16

(b) Non-current operating assets :

All non-current assets other than financial instruments, deferred tax assets of the company are located in India.

(c) The Company does not have revenues from transactions with a single external customer exceeding to 10 per cent or more of the total revenues.

Note 44: Disclosure pursuant to Indian Accounting Standard (Ind AS) 102, Share-Based Payments

The Board of Directors constituted the equity settled Employee Stock Option Plan ("ESOP 2022") vide its resolutions dated August 13, 2022 for issue of 5,00,000 stock options to the key employees of the Company, which has been approved in the Company's Annual General meeting dated September 30, 2022 further ESOP 2022 was amended in the Annual General meeting dated September 27, 2023 by increasing the pool size from erstwhile 5,00,000 Stock Options to 25,00,000 Stock Options. Additionally as per ESOS 2015 approved by member's resolution dated April 3, 2015 which was further amended vide special resolution dated May 16, 2015 and which was ratified post IPO by the shareholders in the 26th AGM held on September 19, 2018 the balance 1,76,015 shares available under ESOS 2015 got transferred to ESOP 2022 vide amended to ESOS 2015

"The number of shares allocated for allotment under ESOP 2022 is 25,00,000 equity shares of ₹10 each (including 1,76,015 shares held by ESOP trust vide amendment to ESOS 2015. The scheme are monitored and supervised by Nomination and Remuneration Committee of the Board of Director in compliance with provision of Securities and Exchange Board of India (Shares Based Employee Benefits & Sweat Equity) Regulation, 2021 and any circulars/notifications/guidance/frequently asked question issued thereunder as amended from time to time. The Employee Stock Option Plan includes employees of Parag Milk Foods Limited and its subsidiaries.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

According to ESOP 2022, the employee selected will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions in the scheme. The contractual life (comprising the vesting period and the exercise period) of options granted is 5 years. The other relevant terms of the grant are as below. The fair valuation of the option have been computed as per the black scholes pricing model.

Particulars	Vest-1	Vest-2	Vest-3
Vesting Period	1 years	2 Years	3 Years
Vesting	10.00%	46.00%	44.00%
Exercise Period	7 Years	6 Years	5 Years
Expected Life	4.5 Years	5 Years	5.5 Years
Exercise Price	₹10	₹10	₹10
Fair value using Black Scholes model on grant date	₹197.35	₹197.27	₹197.18
Date of grant	February 7, 2024	February 7, 2024	February 7, 2024

The details of activity under ESOP 2022 are summarized below:

Particulars	₹ Million			
	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023	As at March 31, 2023
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited/lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Exercisable/ Vested during the year	-	-	-	-
Outstanding at the end of the year:	-	-	-	-
of which Options vested and exercisable at the end of the year	-	-	-	-

Vest-1	March 31, 2024	March 31, 2023
Dividend yield (%)	0.33	-
Expected volatility	50.76%	-
Risk-free interest rate (%)	6.98%	-
Weighted average share price	207.70	-
Exercise price (₹)	10.00	-
Expected life of options granted in years	4.5 yrs	-
Life of option remaining in months	-	-

NOTES TO THE STANDALONE FINANCIAL STATEMENTS**FOR THE YEAR ENDED MARCH 31, 2024**

Vest-2	March 31, 2024	March 31, 2023
Dividend yield (%)	0.33	-
Expected volatility	49.20%	-
Risk-free interest rate (%)	6.99	-
Weighted average share price	207.70	-
Exercise price (₹)	10.00	-
Expected life of options granted in years	5 yrs	-
Life of option remaining in months	-	-

Vest-3	March 31, 2024	March 31, 2023
Dividend yield (%)	0.33	-
Expected volatility	47.87%	-
Risk-free interest rate (%)	7.00	-
Weighted average share price	207.70	-
Exercise price (₹)	10.00	-
Expected life of options granted in years	5.5 yrs	-
Life of option remaining in months	-	-

Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Employee option plans	-	-

Note 45: Disclosure pursuant to Indian Accounting Standard (Ind AS) 27, Separate Financial Statements

Investments in the subsidiary company is accounted at cost:

Name of the subsidiary company	Principal place of business	Proportion of direct ownership as on March 31, 2024	Proportion of direct ownership as on March 31, 2023
Bhagalaxmi Dairy Farm Private Limited	India	100%	100%

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 46 : Additional Regulatory Information (to the extent applicable and reportable)

(a) Loans or advance to specified persons

Type of Borrower	March 31, 2024		March 31, 2023	
	Amount of loan or advance in the nature of loan outstanding	Percentage of the total loans and advances in the nature of loans	Amount of loan or advance in the nature of loan outstanding	Percentage of the total loans and advances in the nature of loans
Related Party – Bhagyalaxmi Dairy Farm Private Limited (Subsidiary)	-	-	300	90.91%

Loans given to related parties are not repayable on demand, bearing interest rate at the rate of 8.75% p.a. and the respective agreements specify adequate terms and period of repayment. The said loan has been given for expansion and general corporate purposes.

During the FY23 the loan given to subsidiary company has been converted in equity shares of subsidiary company vide board resolution.

(b) Capital work in progress (CWIP) :

Ageing of Capital Work-in-progress as on March 31, 2024

₹ Million

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	20.35	14.96	61.35	-	96.67
Projects temporarily suspended	-	-	-	-	-
Total	20.35	14.96	61.35	-	96.67

Ageing of Capital Work-in-progress as on March 31, 2023

₹ Million

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years*	
Projects in progress	61.10	25.34	-	-	86.44
Projects temporarily suspended	-	-	-	-	-
Total	61.10	25.34	-	-	86.44

* Capital work-in-progress more than 3 years consist of "Milk Process Machine" which will has been capitalised in June 2022

(c) Borrowings secured against current assets

Company has borrowings from banks on the basis of security of current assets and Company has filed monthly statements for FY23 and FY22 with banks which are in agreement with the books of account.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(d) Accounting ratio

Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	Percentage Variance from previous year
Current Ratio (in times)	Current assets	Current liabilities	2.01	2.04	(2%)
Debt - Equity Ratio (in times)	Total Debt	Total shareholders' equity	0.61	0.68	(10%)
Debt Service coverage ratio (in times) I	Earnings for Debts Service	Current debt	2.56	2.12	21%
Return on equity (in %) II	PAT	Average shareholder's equity	11%	5.12%	109%
Inventory Turnover Ratio (in times)	Sales	Average inventory	5.34	5.56	(4%)
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	15.64	20.41	(23%)
Trade payables turnover ratio (in times)	Net Credit Purchase	Average trade payables	15.34	14.19	8%
Net capital turnover ratio (in times)	Revenue from operations	Working capital	4.75	5.02	(5%)
Net profit ratio (in %) III	Net profit	Revenue	3.0%	2.4%	25%
Return on capital employed (in %)	PBIT	Capital employed	13.58%	12.75%	6%
Return on investment (in %)	Earning before interest, tax and exceptional items	Average total assets	9.06%	9.05%	0%

Explanation for variance exceeding 25% :

- I DSCR has increased due to increase in operating profit
- II Return on Equity has increased due to increase on PAT and issue of equity shares
- III Net profit ratio has increased due to increase in PAT

Note 47:

- a) No provision for current tax is required to be made for the year ended March 31, 2024, in view of certain allowances and deductions available under the Income Tax Act, 1961.
- a) The Income Tax Department conducted a search under Section 132 of the Income Tax Act, 1961, on the Company and its associated persons in the month of November 2021. The Company had only received a Panchanama dated November 27, 2021. Subsequently, in the Assessment Order for A.Y 2021-22 dated December 31, 2022, a reference has been made to the search and seizure.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 48:

The Company has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year-end, the Company has reviewed all such contracts and confirmed that no provision is required to be created under any law / accounting standard towards any foreseeable loss.

Note 49:

The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits received the President's assent on September 28, 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment has released the draft Rules for the Code on November 13, 2020 and has invited suggestions from the stakeholders. However, the date on which the Code / Rules will come to effect has not been notified.

The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

Note 50: Audit Trail

The Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to the accounting software. Further, no instance of audit trail feature being tampered with was noted in respect of the software where audit trail has been enabled.

Note 51:

No significant subsequent events have been observed with may require an adjustment to the financial statements.

Note 52:

Figures of the previous year have been regrouped wherever necessary.

Signatures to Notes 1 to 52

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin Paul Augustine

Partner
Membership No. 043385

Place: Mumbai

Date: May 18, 2024

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

Devendra Shah

Chairman
DIN: 01127319

Virendra Varma

Company Secretary & Compliance Officer
Membership No. F10520

Place: Mumbai

Date: May 18, 2024

Pritam Shah

Managing Director &
Interim Chief Financial Officer
DIN: 01127247

INDEPENDENT AUDITOR'S REPORT

To the Members of Parag Milk Foods Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Parag Milk Foods Limited** (the 'Holding Company' / the '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, 2024, and the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as the 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of its consolidated profit,

consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India (the 'ICAI'), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
1.	Inventories (Refer Note 11 to the consolidated financial statements)	Our audit procedures included and were not limited to the following: <ol style="list-style-type: none"> i. Evaluation of the design and testing of the implementation of internal controls relating to physical inventory counts on a test basis; ii. Performance of test of controls over verification of documentary evidence of controls including the calculation of shrinkages; and iii. Performance of test of details through sample selection of stores as part of the inventory verification program, including verification of inventory from floor to documentary evidence and <i>vice versa</i> and verification of shrinkage.
2.	Valuation and existence of inventories (Refer Note 11 to the consolidated financial statements)	In order to ascertain the existence of inventories, we assessed and reviewed the controls implemented and executed by the Group to ensure the existence of inventories. We observed the periodic physical inventory counts. We also performed analytical procedures as well as tests of details of individual transactions.

Sr. Key Audit Matters No.	How our audit addressed the key audit matters
<p>Our audit of inventories was focused around the risk that there would be a material misstatement relating to the existence of inventories and that the valuation of inventories which involves judgement of the management.</p> <p>According to the consolidated financial statements' accounting principles inventories are measured at the lower of cost or net realizable value. The Group has procedures for identifying risk for obsolescence inventories based on estimated usage and shelf life of products.</p>	<p>As for the valuation of inventories, we assessed and reviewed the controls relating to valuation. For materials and supplies, we compared the price recognized in the balance sheet to the latest purchase invoice, to ensure that the inventory of materials and supplies is valued in accordance with the accounting policies applied.</p> <p>To address the risk for material error on inventories, our audit procedures included amongst other:</p> <p>Assessing the compliance of Group's accounting policies over inventory with applicable accounting standards.</p> <p>Assessing the inventory valuation processes and practices. On major locations we tested the effectiveness of the key controls.</p> <p>Assessing the analyses and assessment made by management with respect to slow moving and obsolete stock.</p> <p>We assessed the adequacy of the Group's disclosures related to inventories.</p>
<p>3. Valuation of trade receivables (Refer Note 12 to the consolidated financial statements)</p>	
<p>As at March 31, 2024, the trade receivables balance excluding provisions of the Group included in Note 12 was ₹2,442.56 Million.</p> <p>We have identified valuation of trade receivables as a key audit matter on account of the significant management judgment involved with respect to the recoverability of trade receivables and the provisions for impairment of receivables, and the importance of cash collection with reference to the working capital management of the business.</p>	<p>Our audit procedures included but were not limited to the following:</p> <p>(a) Understanding the trade receivables process with regards to valuation and evaluation of controls designed and implemented by the management;</p> <p>(b) Assessment of the appropriateness of the Company's credit risk policy and obtaining an understanding on management of credit risk;</p> <p>(c) Control testing:</p> <ul style="list-style-type: none"> • Obtaining an understanding on credit approvals, establishing credit limits and continuous monitoring of creditworthiness of customers to which the Group grants the credit in normal course of business. • Obtaining understanding on how the Group establishes an allowance for doubtful debts and impairment that represents its estimate of incurred losses in respect of trade receivables. <p>(d) Tests of details:</p> <ul style="list-style-type: none"> • We have checked the ageing analysis, on a sample basis and subsequent receipt of the trade receivables, to the source documents, including bank statements; • We have verified the underlying supporting documents like acceptance of invoices along with various correspondence carried out by the Group with trade receivable for realization of money; • We have verified open invoices duly accepted by customers in order to ensure existence of trade receivables;

Sr. No.	Key Audit Matters	How our audit addressed the key audit matters
4.	Revenue recognition (Refer Note 29 to the consolidated financial statements)	<p data-bbox="818 315 1463 472">• We have verified the appropriateness of judgments regarding provisions for trade receivables and assessment as to whether these provisions were calculated in accordance with the Group's provisioning policies.</p> <p data-bbox="818 495 1463 636">We have conducted discussion with management as to the recoverability of the old outstanding and corroborating management's explanations with underlying documentation and correspondence with the customers.</p> <p data-bbox="818 703 1463 757">Our key audit procedures around revenue recognition included, but were not limited to, the following:</p> <ul data-bbox="818 786 1463 1980" style="list-style-type: none"> <li data-bbox="818 786 1463 927">• Assessed the appropriateness of the revenue recognition accounting policies of the Group including those relating to rebates and trade discounts, by evaluating compliance with the applicable accounting standards; <li data-bbox="818 949 1463 1070">• Evaluated the design and tested the operating effectiveness of the relevant key controls with respect to revenue recognition including general and specific information technology controls; <li data-bbox="818 1093 1463 1249">• Performed substantive testing on selected samples of revenue transactions recorded during the year by testing the underlying documents including contracts, invoices, goods dispatch notes, shipping documents and customer receipts, wherever applicable; <li data-bbox="818 1272 1463 1413">• Understood and evaluated the Group's process for recording of the accruals for discounts and rebates and ongoing incentive schemes and on a test basis, verified the year-end provisions made in respect of such schemes; <li data-bbox="818 1435 1463 1532">• Performed analytical review procedures on revenue recognised during the year to identify any unusual and/or material variances; <li data-bbox="818 1554 1463 1608">• Performed confirmation and alternative procedures on selected invoices outstanding as at the year-end; <li data-bbox="818 1630 1463 1749">• Tested a select sample of revenue transactions recorded before the financial year end date to determine whether the revenue has been recognised in the appropriate financial period; <li data-bbox="818 1771 1463 1825">• Tested a sample of manual journal entries posted to revenue ledgers to identify any unusual items; and <li data-bbox="818 1848 1463 1980">• Evaluated the appropriateness and adequacy of disclosures in the consolidated financial statements in respect of revenue recognition in accordance with the applicable requirements.

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

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing,

as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept

so far as it appears from our examination of those books and the reports of the other auditors.

- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Group as on March 31, 2024 taken on record by the Board of Directors of the Group, none of the directors of the Group companies is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in **Annexure 'A'**.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the Section 197(16) of the Act, in our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act; and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - (Refer Note 44 to the consolidated financial statements).
 - (ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
 - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.
 - (iv) (a) the management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the consolidated financial statements, during

the year, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary incorporated in India to or in any other person or entity, including foreign entities (the 'Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary company incorporated in India (the '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, other than as disclosed in the notes to the consolidated financial statements during the year, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any person or entity, including foreign entities (the 'Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary incorporated in India shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (the 'Ultimate Beneficiaries') or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and
- (c) based on such audit procedures, we have considered reasonable and appropriate in the circumstances that nothing has come to our notice that has caused us to believe that the representations under paragraph (a) and (b) above, contain any material misstatement.
- (v) As stated in note 17 to the consolidated financial statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act, to the extent it applies

to declaration of dividend;

- (vi) Based on our examination which included test checks, except for the instances mentioned below, the Group has used accounting softwares for maintaining its books of account, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the respective software:
 - (a) The feature of recording audit trail (edit log) facility of the Holding Company was not enabled at the database level to log any direct data changes for the accounting softwares used for maintaining the books of account relating to payroll, consolidation process and certain noneditable fields/tables of the accounting software used for maintaining general ledger.
 - (b) The feature of recording audit trail (edit log) facility of the Holding Company was not enabled at the application layer of the accounting softwares relating to revenue, trade receivables and general ledger.

Further, for the periods where audit trail (edit log) facility was enabled and operated throughout the year for the respective accounting software, we did not come across any instance of the audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, as amended is applicable from April 1, 2023 reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, as amended, on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

- 2. With respect to the matters specified in the Paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ('CARO') issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, and according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and its subsidiary included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in those CARO reports.

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

Edwin Paul Augustine
 Partner
 Membership No. 043385
 UDIN: 24043385BKDZVQ8421

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) of our report of even date)

Report on the Internal Financial Controls under Section 143(3)(i) of the Companies Act, 2013 (the 'Act')

In conjunction with our audit of the consolidated financial statements of the **Parag Milk Foods Limited** (the 'Holding Company') as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable, to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their

operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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

Edwin Paul Augustine
Partner

Membership No. 043385
UDIN: 24043385BKDZVQ842I

Mumbai, May 18, 2024

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2024

₹ Million

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
(i) ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	4	3,552.86	3,602.83
(b) Capital work-in-progress	4A	691.21	447.06
(c) Other intangible assets	5	8.95	1.95
(d) Right-of-Use assets	5A	335.44	150.78
(e) Biological assets other than bearer plants	6	758.30	605.54
(f) Financial assets			
(i) Investments	7	46.25	49.23
(ii) Loans	8	29.07	30.00
(iii) Other financial assets	9	260.87	429.11
(g) Deferred tax assets (Net)		77.78	-
(h) Other non-current assets	10	96.32	71.82
Total Non-current assets		5,857.05	5,388.32
(2) Current assets			
(a) Inventories	11	6,153.17	5,735.50
(b) Financial assets			
(i) Trade receivables	12	2,442.56	1,682.34
(ii) Cash and cash equivalents	13	105.58	137.99
(iii) Bank balances other than (ii) above	14	170.16	14.98
(c) Current tax assets (net)	15	251.44	140.97
(d) Other current assets	16	3,928.90	3,575.89
Total Current assets		13,051.81	11,287.67
Total Assets		18,908.86	16,675.99
(ii) EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	17	1,192.00	1,172.00
(b) Other equity	18	7,929.06	6,907.09
Total Equity		9,121.06	8,079.09
Liabilities			
(2) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	2,444.37	2,552.33
(ii) Lease liabilities	20	259.41	102.33
(b) Provisions	21	36.68	38.92
(c) Deferred tax liabilities (net)	37	39.77	19.00
Total Non-current liabilities		2,780.23	2,712.58
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	22	3,674.02	3,342.13
(ii) Lease liabilities	23	69.17	65.60
(iii) Trade payables			
(a) Total outstanding dues of micro and small enterprises; and		118.87	12.65
(b) Total outstanding dues of creditors other than micro and small enterprises.	24	2,046.66	1,513.19
(iv) Other financial liabilities	25	561.16	345.15
(b) Other current liabilities	26	531.67	599.39
(c) Provisions	27	2.81	5.05
(d) Current tax liabilities (net)	28	3.22	1.16
Total Current liabilities		7,007.58	5,884.32
Total Liabilities		9,787.80	8,596.90
Total Equity and Liabilities		18,908.86	16,675.99

The accompanying notes form an integral part of the consolidated financial statements

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin Paul Augustine
Partner
Membership No. 043385

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

Devendra Shah
Chairman
DIN: 01127319

Pritam Shah
Managing Director &
Interim Chief Financial Officer
DIN: 01127247

Virendra Varma
Company Secretary & Compliance Officer
Membership No. F10520
Place: Mumbai
Date: May 18, 2024

Place: Mumbai
Date: May 18, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2024

			₹ Million	
Particulars	Notes	For the year ended March 31, 2024	For the year ended March 31, 2023	
(I) Income				
(a) Revenue from operations	29	31,387.00	28,926.20	
(b) Other income	30	252.09	451.57	
Total Income		31,639.09	29,377.77	
(II) Expenses				
(a) Cost of materials consumed	31	24,449.84	23,952.35	
(b) Changes in inventories of finished goods, work-in-progress and Stock-in-trade	32	(550.11)	(720.49)	
(c) Employee benefits expense	33	1,164.45	980.56	
(d) Finance costs	34	762.38	551.56	
(e) Depreciation and amortisation expense	35	602.53	572.75	
(f) Other expenses	36	4,351.44	3,530.42	
Total Expenses		30,780.53	28,867.15	
(III) Profit/(Loss) before tax		858.56	510.62	
(IV) Tax expense				
Current tax		8.23	-	
Deferred tax charge /(credit)	37	(55.50)	(21.92)	
Tax adjustment in respect of earlier years		-	-	
(V) Profit/(Loss) for the year		905.83	532.54	
(VI) Other comprehensive income				
Items that will not be reclassified to profit or loss				
Remeasurements of the defined benefit plans	43	5.98	4.53	
Income tax on above	37	(1.51)	(1.15)	
Other comprehensive income for the year, net of tax		4.47	3.38	
(VII) Total Comprehensive income/(loss) for the year		901.36	535.92	
(VIII) Earnings per equity share (of face value of ₹10/- each):				
Basic (in ₹)	46	7.71	5.07	
Diluted (in ₹)	46	7.47	4.96	

The accompanying notes form an integral part of the consolidated financial statements.

As per our report attached
SHARP & TANNAN
Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin Paul Augustine
Partner
Membership No. 043385

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

Devendra Shah
Chairman
DIN: 01127319

Pritam Shah
Managing Director &
Interim Chief Financial Officer
DIN: 01127247

Virendra Varma
Company Secretary & Compliance Officer
Membership No. F10520

Place: Mumbai
Date: May 18, 2024

Place: Mumbai
Date: May 18, 2024

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash Flows from Operating Activities		
Net Profit before tax	858.56	510.62
Adjustments for:		
Depreciation and amortization expense (includes on Right-of-Use assets)	602.53	572.75
Provision for doubtful debts	146.60	70.36
Fair value gain / loss on investments	(7.65)	21.38
Loss on sale / disposal of Biological assets	17.56	9.94
Finance costs	762.38	551.56
Fair value changes of Biological assets	(175.96)	(112.90)
Sundry balances written back (net)	-	(267.53)
Loss on sale of Property, plant and equipment	0.02	-
Exchange fluctuation gain (net)	25.03	
Interest income	(42.10)	(35.03)
Operating profit before working capital changes	2,186.97	1,321.15
Adjustments for:		
(Increase) / decrease in inventories	(417.67)	(948.14)
(Increase) / decrease in trade receivables and other receivables	(1,329.70)	(1,977.79)
Increase / (decrease) in trade payables and other payables	678.63	(276.25)
Increase / (decrease) in provisions	(10.46)	15.43
Cash generated from operations	1,107.77	(1,865.60)
Taxes paid (net of refunds)	(116.64)	(34.96)
Net cash flows generated from / (used in) operating activities	991.13	(1,900.56)
B. Cash Flows from Investing Activities		
Interest received	31.54	49.65
Sale of Biological assets	5.64	2.92
Purchase of property, plant and equipment	(611.85)	(532.71)
Proceeds from mutual funds	56.88	(50.00)
Sale of property, plant and equipment	0.15	-
Investment in other Equity Shares	(46.25)	-
Loans given to others	-	(30.00)
Maturity/ (investment) in fixed deposits	34.59	(315.45)
Net cash flows generated from / (used in) investing activities	(529.30)	(875.59)
C. Cash Flows from Financing Activities		
Proceeds from issue of shares (net of issue expenses)	140.61	2,002.87
Proceeds / (repayment) of long-term borrowings	(190.36)	82.90
Proceeds / (repayment) of short-term borrowings (net)	385.39	611.40
Payment of lease liabilities	(79.65)	(55.18)
Repayment of interest on lease liabilities	(24.94)	(17.62)
Interest paid	(725.29)	(506.97)
Net cash flows generated from / (used in) financing activities	(494.23)	2,117.41
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(32.40)	(658.74)
Cash and cash equivalents at the beginning of the year (Refer note 13)	137.99	796.73
Cash and cash equivalents at the end of the year (Refer note 13)	105.58	137.99

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash and cash equivalents include:		
Balances with banks	84.03	117.82
Cash on hand	21.55	20.17
Total	105.58	137.99

Notes :

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) 7, *Statement of Cash Flows*, as specified in the Companies (Indian Accounting Standards), Rules, 2015 (as amended).
- Additions to property, plant and equipment include movements of capital work-in-progress and capital advance during the year.
- Changes in liabilities arising from financing activities

Particulars	Opening Balance	Cash movement	Non-Cash Changes			Closing Balance
			Foreign exchange changes	Fair value changes	Acquisition	
Long term borrowings (gross)	2,873.86	(186.12)		24.65		2,712.39
Short term borrowings (net)	3,020.62	385.38		-		3,406.00
Lease liabilities (RoU Asset)	167.93	(79.65)			240.30	328.58
	6,062.41	119.61	-	24.65	240.30	6,446.97

- Figures for the previous year have been regrouped wherever necessary.

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Edwin Paul Augustine

Partner

Membership No. 043385

For and on behalf of the Board of Directors of

Parag Milk Foods Limited

Devendra Shah

Chairman

DIN: 01127319

Pritam Shah

Managing Director &

Interim Chief Financial Officer

DIN: 01127247

Virendra Varma

Company Secretary & Compliance Officer

Membership No. F10520

Place: Mumbai

Date: May 18, 2024

Place: Mumbai

Date: May 18, 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

Equity share capital (Refer Note 17)

₹ Million

Particulars	For the year ended March 31, 2024				
	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
Issued, subscribed and paid-up (Equity shares of face value ₹10 each)	11,71,99,826	-	-	20,00,000	11,91,99,826

₹ Million

Particulars	For the year ended March 31, 2023				
	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
Issued, subscribed and paid-up (Equity shares of face value ₹10 each)	9,51,99,826	-	-	2,20,00,000	11,71,99,826

Other equity (refer note 18)

₹ Million

Particulars	Reserves and Surplus				Money received against share warrants	Money received against FCCB	Other Comprehensive Income (Remeasurement in defined benefit plans)	Total other equity
	Securities premium	General reserve	Employee stock options outstanding	Retained earnings				
Balance as at April 1, 2022	5,837.74	59.26	-	(1,444.88)	25.00	106.80	4.37	4,588.29
Profit / (Loss) for the year	-	-	-	532.54	-	-	-	532.54
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	3.38	3.38
Securities premium credited for equity shares issued by ESOP Trust (Refer note 18a)	1,762.50	-	-	-	-	-	-	1,762.50
Transaction cost in respect of share warrants (Refer note 18d)	-	-	-	(1.50)	-	-	-	(1.50)
Money received against share warrants (Refer note 18e)	-	-	-	-	21.88	-	-	21.88
Balance as at March 31, 2023	7,600.24	59.26	-	(913.84)	46.88	106.80	7.75	6,907.09

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Reserves and Surplus				Money received against share warrants	Money received against FCCB	Other Comprehensive Income (Remeasurement in defined benefit plans)	Total other equity
	Securities premium	General reserve	Employee stock options outstanding	Retained earnings				
Profit / (Loss) for the year	-	-	-	905.83	-	-	-	905.83
Other Comprehensive Income for the year (net of tax)	-	-	-	-	-	-	(4.47)	(4.47)
Securities premium credited for equity shares issued (Refer note 18a)	167.49							167.49
Money received against share warrants (Refer note 18e)	-	-	-	-	(46.88)	-	-	(46.88)
Balance as at March 31, 2024	7,767.73	59.26	-	(8.01)	-	106.80	3.28	7,929.06

Refer note 18 for nature and purpose of reserves

As per our report attached

SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

by the hand of

Edwin Paul Augustine

Partner

Membership No. 043385

For and on behalf of the Board of Directors of

Parag Milk Foods Limited

Devendra Shah

Chairman

DIN: 01127319

Pritam Shah

Managing Director &
Interim Chief Financial Officer

DIN: 01127247

Virendra Varma

Company Secretary & Compliance Officer

Membership No. F10520

Place: Mumbai

Date: May 18, 2024

Place: Mumbai

Date: May 18, 2024

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

1. Corporate information

Parag Milk Foods Limited (the 'Company') was incorporated under the provisions of the Companies Act, 1956. The Corporate Identification Number (CIN) of the Company is L15204PN1992PLC070209. The registered office of the Company is situated at Flat No. 1, Plot No. 19, Nav Rajasthan Society, S. B. Road, Shivaji Nagar, Pune 411 016, Maharashtra.

The Company is a public listed company incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) in India.

The Group is engaged in the business of production and procurement of cow milk mainly in western and southern region, undertakes processing of milk and manufacture of various value added products namely cheese, butter, ghee, fresh cream, milk, milk powder, flavoured milk, lassi, curd etc. which are marketed under its registered brand name "Gowardhan", "Go", "Pride of Cows", "Topp up" and "Avvatar".

The consolidated financial statements were authorised for issue by the Parent's Board of Directors on May 18, 2024.

2A. Material Accounting Policies

Basis of preparation

1. Compliance with Ind AS

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013, (the 'Act'), and other relevant provisions of the Act and presentation requirements of Division II of Schedule III to the Act. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The accounting policies are applied consistently to all the periods presented in the consolidated financial statements.

2. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Group functional currency. All amounts have been rounded-off to two decimal places to the nearest Millions, unless otherwise indicated.

Items included in the consolidated financial statements of the Company are recognised using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in 'Indian Rupees' (₹), which is Company's functional and presentation currency.

3. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement Basis
Certain financial assets and liabilities	Fair value
Shared-based payments	Fair value
Biological Assets	Fair value less cost to sell
Net defined benefit (asset)/ liability	Present value of defined benefit obligation less Fair value of plan assets

4. (i) Current / non-current classification of assets/ liabilities

The Group has classified all its assets/liabilities into current/non-current portion based on the time frame of 12 months from the date of the financial statements. Accordingly, assets/liabilities expected to be realised /settled within 12 months from the date of financial statements are classified as current and other assets/liabilities are classified as non-current.

The Company presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in Group normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(ii) Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle for the purpose of current and non-current classification of asset and liabilities

(iii) Rounding off amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest Millions as per the requirement of Schedule III, unless otherwise stated.

5. Use of estimates and judgements

In the preparation of the consolidated financial statements, the management made judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively. Information about assumptions, judgements and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31st March 2024 are as below and also been discussed in detail in the relevant section of accounting policies.

- Measurement of defined benefit obligations: Key actuarial assumptions.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.
- Useful life of property, plant and equipment
- Fair value measurement of financial instruments
- Allowance for doubtful debt.
- Estimation of tax expenses, utilization of deferred tax assets and tax payable.
- Lease liabilities - measurement of incremental borrowing costs.
- Impairment of financial assets.

6. Measurement of fair values

Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The valuation team regularly reviews significant unobservable input & valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Further information about the assumptions made in the measuring fair values is included in the following notes:

- Share-based payments
- Financial instruments.
- Biological assets other than Bearer Plant

7. Consolidated Financial Statements

The consolidated financial statements incorporate the financial statements of the company and its subsidiary, being the entities that it controls. Control is evidenced where the group has power over the investee or is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Power is demonstrated through existing rights that give the ability to direct relevant activities, which significantly affect the entity returns. The financial statements of subsidiaries are prepared for the same reporting year as the parent company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies of the group.

For non-wholly owned subsidiary a share of the profit/loss for the financial year and net assets is contributed to the non-controlling interests as shown in the Consolidated Statement of profit and loss.

The Group combines the financial statements of the parent and its subsidiary line by line adding together the items of assets, liabilities, equity, income and expenses. Inter Company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

Intra - Group balances and transactions, and any unrealised income and expenses arising from intra - Group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the Investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2B. Other Accounting Policies

1. Property, plant and equipment

Recognition and measurement

Freehold land is carried at historical cost. For freehold land has infinite useful life can be determined, related carrying amounts are not amortised.

Items of property, plant and equipment, are measured at cost (which includes capitalised borrowing costs, if any) less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment includes its purchase price, duties, taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour and any other costs directly attributable to bringing the item to its intended working condition and estimated costs of dismantling, removing and restoring the site on which it is located, wherever applicable. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in statement of profit and loss.

Subsequent expenditure

Subsequent expenditure is capitalised in the carrying amount of assets or recognised as a separate asset only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

All other repairs and maintenances are charged to the statement of profit and loss during the reporting period in which they are incurred.

Depreciation

Depreciation on property, plant and equipment (other than for those class of assets specifically mentioned below) is calculated on a straight-line basis as per the useful lives prescribed and in the manner laid down under Schedule II to the

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Companies Act, 2013 and additions and deletions are restricted to the period of use. If the Management's estimate of the useful life of a property, plant and equipment is different than that envisaged in the aforesaid Schedule, depreciation is provided based on the Management's estimate of the useful life. Pursuant to this policy, depreciation on the following class of property, plant and equipment has been provided at the rates based on the following useful lives of property, plant and equipment as estimated by Management which is different from the useful life prescribed under Schedule II of the Companies Act, 2013:

Useful life of the assets are as follows: -

Assets	Useful life (years)
Leasehold Building Improvements	3
Buildings	30
Plant and Equipment	3/5/6/8/10/11/12/15
Furniture and Fixtures	10
Vehicles	8/10
Office Equipment's	5
Computer	3

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Derecognized

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from de-recognition of a tangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when the asset is derecognized.

Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of classification.

Capital work-in-progress

Capital work-in-progress includes expenditure incurred till the assets are put into intended use. Capital work-in-progress are measured at cost less

accumulated impairment losses, if any.

2. Intangible assets

Recognition and measurement

Intangibles are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably.

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the intangible asset.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of the intangible assets from the date that they are available for use. The estimated useful lives are as follows:

Assets	Useful life (years)
Trade Marks	10
Website Development	3
Computer Software	3

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment Annually, either individually or at the cash-generating unit level.

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3. Impairment

Financial assets

The Group recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL with simplified approach. For all other financial assets, ECL are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECL (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized is recognized as an impairment gain or loss in statement of profit and loss.

Non-financial assets

Intangible assets and property, plant and equipment

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

4. Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

The Group lease asset classes primarily consist of leases for land and buildings. The Group assesses whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset, the Group assesses whether:

- (i) The contract involves use of identified asset;
- (ii) The Group has substantially all of the economic benefit of from use of the asset through the period of the lease; and
- (iii) The Group has the right to direct the use of the asset

At the date of commencement of lease, the Group recognize a Right-of-Use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve month or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognizes the lease payments as operating expense on straight-line basis over the term of lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The Group depreciates the ROU assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the ROU assets or the end of the lease term. The Group also assesses the ROU asset for impairment when such indicators exist.

The Lease liability is initially measured at amortized cost at the present value of future lease payments. The lease payments are discounted using the interest rate implicit in the lease, or if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are re-measured with corresponding adjustment to the related ROU asset if Group changes its assessment if whether it will exercise an extension or termination option.

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Carrying amount of lease liability is increased by interest on lease liability and reduced by lease payments made.

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

The following is the summary of practical expedients:

1. Applied a single discount rate to portfolio of leases of similar assets in similar economic environment with similar end date.
2. Applied the exemption not to recognize ROU asset and liabilities for leases with less than 12 months of lease term of the date of initial application.
3. Applied the practical expedient to grandfather the assessment of which transactions are leases. Accordingly, Ind AS 116, is applied only to contracts that were previously identified as leases under Ind AS 17, *Leases*.
4. Excluding initial direct costs for the measurement of ROU asset at the date of initial application.

The Group as a lessor

Leases for which the Group is a lessor classified as finance or operating lease. Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

5. Biological Asset

A biological asset is a living animal or plant.

An entity shall recognise a biological asset when, and only when:

- (a) the entity controls the asset as a result of past events;
- (b) it is probable that future economic benefits associated with the asset will flow to the entity; and
- (c) the fair value or cost of the asset can be measured reliably.

A biological asset shall be measured on initial recognition and at the end of each reporting period at its fair value less costs to sell.

Costs to sell are the incremental costs directly attributable to the disposal of an asset, excluding finance costs and income taxes.

A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

Biological Assets i.e. livestock (cows) are measured at fair value less costs to sell, with any change therein recognised in statement of profit and loss.

6. Inventories

Inventories are valued at the lower of cost (including prime cost, excise duty and other overheads incurred in bringing the inventories to their present location and condition) and estimated net realisable value, after providing for obsolescence, where appropriate. Taxes which are subsequently recoverable from taxation authorities are not included in the cost. The comparison of cost and net realisable value is made on an item-by-item basis. The net realisable value of materials in process is determined with reference to the selling prices of related finished goods. Raw materials, packing materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realisable value.

The provision for inventory obsolescence is assessed regularly based on estimated usage and shelf life of products.

Raw materials, packing materials and stores and spares are valued at cost computed on first in first out basis. The cost includes purchase price, inward freight and other incidental expenses net of refundable duties, levies and taxes, where applicable.

Work-in-progress is valued at input material cost plus conversion cost as applicable.

Stock and Trade and Finished goods are valued at the lower of net realisable value and cost (including prime cost and other overheads incurred in bringing the inventories to their present location and condition), computed on a first in first out basis.

7. 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.

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Recognition and initial measurement

The Group initially recognises financial assets (excluding Trade Receivable) and financial liabilities when it becomes a party to the contractual provisions of the instrument. Trade Receivables are initially recognised when they are originated. All financial assets and liabilities are measured at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Classification and subsequent measurement of Financial Assets

Financial assets carried at amortised cost

Financial instruments are subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the standalone statement of profit and loss. The losses arising from impairment are recognised in the standalone statement of profit and loss

Financial assets at fair value through other comprehensive income

Financial instruments are subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the standalone statement of profit and loss. Interest earned whilst

holding FVTOCI debt instrument is reported as interest income using the EIR method.

In case, the Group's management has made an irrevocable election at the time of initial recognition to account for the equity investment (Other than Investments in equity instruments of Subsidiary) fair value through other comprehensive income. This election is not permitted if the equity investment is held for trading. The classification is made on initial recognition and is irrevocable.

Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

Financial liabilities at fair value through profit or loss (FLTPL)

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the standalone statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to the standalone statement of profit and loss. However, the group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the standalone statement of profit and loss. The group has not designated any financial liability as at fair value through profit and loss.

Financial liabilities through amortised cost.

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

amounts approximate fair value due to the short maturity of these instruments.

Derecognition

Financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the right to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial assets are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.

Financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and a new financial liability with modified terms is recognized in the statement of profit and loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or realise the asset and settle the liability simultaneously.

8. Trade receivable

Trade receivables are recognised if an amount of consideration that is unconditional (i.e only the passage of time is required before payment of consideration due)

9. Trade and other payable

These amounts represent liabilities for goods and services provided to the group prior to the end of the financial year which are unpaid. Trade payables are presented as current unless payment is not

due within 12 months after the reporting period. They are recognized initially at the fair value and subsequently measured at amortized cost using the effective interest method.

10. Borrowings

Borrowings are initially recognised at net of transaction costs incurred and measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the effective interest method.

11. Revenue recognition

The Group recognizes Ind AS 115, *Revenue from contracts with customers*, based on a five-step model as set out in the Standard:

Step 1: Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2: Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3: Determine the transaction price: The transaction price is the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the group expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the group satisfies a performance obligation.

The transfer of the significant risks and rewards of ownership of a goods to the customer may indicate that the customer has obtained the ability to direct the use of, and obtain substantially all of the remaining benefits from the goods.

Amounts disclosed as revenue are net of returns, trade discounts, cash discount, allowances and volume rebates, taxes collected and amounts

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collected on behalf of third parties. Revenue is recognized to the extent it is probable that the economic benefits will flow to the group and the revenue and costs, if applicable, can be measured reliably.

Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price and accounted as interest income.

Other operational revenue represents income earned from the activities incidental to the business and is recognised when the performance obligation is satisfied and right to receive the income is established as per the terms of the contract

Processing charges is recognized as per the terms of the contract when the related services are rendered.

Dividend income is recognized when the group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Interest Income on Bank Deposits is accrued on time proportionate basis and at the applicable interest rate.

12. Other Income

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably.

13. Foreign currencies

Initial Recognition

On initial recognition, transaction in foreign currencies entered into by the Group are recorded in the functional currency (₹), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit & Loss.

Measurement of foreign currency items at reporting date

Foreign currency monetary items of the Group are translated at the closing exchange rates. Non-monetary items that are measured at historical

cost in foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognised in the Statement of Profit & Loss except exchange differences on long term foreign currency monetary items related to acquisition of fixed assets prior to transition to Ind AS, which are included in the cost of fixed assets.

14. Government grants

Government incentives are recognised at fair value when there is reasonable assurance that the Group will comply with the relevant conditions and the grant will be received. The Government incentives are recognised in profit or loss on a systematic basis over the period in which the Group recognises the related costs for which the incentives are intended to compensate as expense or immediately if the costs have already been incurred.

Eligible export incentives and Bio-Gas subsidiary are recognised in the year in which the conditions precedents are met and there is no significant uncertainty about the collectability

15. Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in Other Comprehensive Income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and using estimates and judgments based on the expected outcome of assessments/appeals and the relevant rulings in the areas of allowances and disallowances.

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Current tax assets and liabilities are offset only if:

- (i) there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority; and
- (ii) there is intention either to settle on a net basis, or to realise the asset and settle the liability simultaneous

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

- Temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of transaction.
- Temporary differences related to investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used.

Deferred tax assets recognised or unrecognised are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred

tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Presentation of current and deferred tax

Current and deferred tax are recognised as income or an expense in the Statement of Profit & Loss, except when they relate to items that are recognised in Other Comprehensive Income, in which case, the current and deferred tax income/ expense are recognised in Other Comprehensive Income.

The Group offsets current tax assets and current tax liabilities, where it has legally enforceable right to set off the recognised amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Group has legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Group.

MAT Credits are in the form of unused tax credits that are carried forward by the Group for a specified period of time, hence it is grouped with Deferred Tax Asset/Net of Deferred tax liabilities.

16. Borrowing costs

Borrowing costs consist of interest, ancillary costs and other costs in connection with the borrowing of funds and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to interest costs.

Interest and other borrowing costs attributable to qualifying assets are capitalised upto the date such assets are ready for their intended use. Other interest and borrowing costs are charged to Statement of Profit and Loss.

17. Provisions, contingent liabilities and contingent assets and commitments

The Group recognizes the provisions when a present obligation (legal or constructive) as a result of past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

A disclosure for a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying the economic benefits or the amount of such obligation cannot be measured reliably. When there is possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying the economic benefits is remote, no provision or disclosure is made.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

Commitments are future liabilities for contractual expenditure, classified and disclosed as estimated amount of contracts remaining to be extracted on capital account and not provided for.

Other commitments related to sales/procurements made in the normal course of business are not disclosed to avoid excessive details.

18. Employee benefits

Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits like salaries, wages, short-term compensated absences and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Post-employment benefits

Contributions to defined contribution schemes such as Provident Fund, Employees State Insurance, are recognised as expenses in the period in which the employee renders the related service. The Group has no further obligations beyond its monthly contributions. The Group also provides for post-employment defined benefit in the form of gratuity. The cost of providing benefit is determined using the projected unit credit method, with actuarial valuation being carried out at each balance sheet date. Re-measurement of the net benefit liability, which comprise of actuarial gains and losses, the return on plan assets (excluding interests) and the effect of the assets ceiling (if any, excluding interest) are recognised in Other Comprehensive Income. The effect of any plan amendments are recognised in net profit in the Statement of Profit and Loss.

In case of funded plans, the fair value of the plan assets is reduced from the gross obligation under the defined benefit plans to recognise the obligation on a net basis.

Other long-term employee benefits

All employee benefits (other than post-employment benefits and termination benefits) which do not fall due wholly within twelve months after the end of the period in which the employees render the related services are determined based on actuarial valuation or discounted present value method carried out at each balance sheet date. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary as at every year end using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

19. Share-based payments

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

20. Cash and cash equivalents

Cash and cash equivalents include cash on hand, cheques on hand, demand deposits with banks and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Short-term and liquid investments being subject to more than insignificant risk of change in value, are not included as part of cash and cash equivalents.

21. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The profit/loss attributable to owners of the group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

(ii) Diluted earnings per share:

Diluted earnings per share adjusts the figures used in the determination of basic earnings shares to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

22. Statement of Cash flow

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financing cash flows. The cash flows from regular revenue generating (operating activities), investing and financing activities of the Group are segregated.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

23. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM) of the Group. The CODM is responsible for allocating resources and assessing performance of the operating segments of the group.

3. Recent Accounting Developments

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31st March 2023 to amend the following Ind-AS which are effective for annual periods beginning on or after 1st April 2023. The Group has applied these amendments for the first time in the financial statements.

i. Amendments to Ind AS 1, *Presentation of Financial Statements - disclosure of accounting policies*

The amendments aim to help entities provide accounting policy disclosures that are more

useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

ii. Amendments to Ind AS 8, *Accounting Policies, Changes in Accounting Estimates and Errors - definition of accounting estimates*

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these financial statements.

iii. Amendments to Ind AS 12, *Income Taxes - deferred tax related to assets and liabilities arising from a single transaction*

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Group has previously recognized deferred tax on leases on a net basis. As a result of these amendments, the group has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its ROU assets. Since these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12, there is no impact on the balance sheet. There was also no impact on the opening retained earnings as at April 1, 2022.

iv. New standards and amendments issued but not effective

There are no such standards which are notified but not yet effective.

The other amendments to Ind AS notified by these rules are primarily in the nature of clarifications.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 4: Property, plant and equipment

Particulars	₹ Million							Total
	Freehold land	Leasehold building improvements	Buildings	Plant and Furniture and fixtures	Vehicles	Office equipment	Computer	
Year ended March 31, 2023								
Gross carrying amount								
Opening gross carrying amount	446.33	41.61	956.59	5,187.73	46.99	73.51	34.66	48.38
Additions during the year	10.66	-	5.19	145.51	1.63	9.53	2.37	5.92
Disposals during the year	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2023	456.99	41.61	961.78	5,333.24	48.62	83.04	37.03	54.30
Accumulated depreciation								
Opening accumulated depreciation	-	39.34	218.24	2,528.84	21.61	31.03	22.10	42.07
Depreciation charge during the year	-	0.04	36.18	453.19	4.53	8.71	4.76	3.16
Disposals during the year	-	-	-	-	-	-	-	-
Closing accumulated depreciation up to March 31, 2023	-	39.38	254.42	2,982.03	26.14	39.74	26.86	45.23
Impairment								
Opening balance	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-
Impairment up to March 31, 2023	-	-	-	-	-	-	-	-
Net carrying amount as at March 31, 2023	456.99	2.23	707.36	2,351.21	22.48	43.30	10.18	9.07
Period ended March 31, 2024								
Gross carrying amount								
Opening gross carrying amount	456.99	41.61	961.78	5,333.24	48.62	83.04	37.03	54.30
Additions during the year	20.57	-	64.42	349.28	12.28	3.21	7.15	13.92
Disposals during the year	-	-	-	-	-	0.86	-	-
Closing gross carrying amount as at March 31, 2024	477.56	41.61	1,026.20	5,682.52	60.90	85.39	44.18	68.22
Accumulated depreciation								
Opening accumulated depreciation	-	39.38	254.42	2,982.03	26.13	39.75	26.86	45.23
Depreciation charge during the year	-	-	36.98	459.16	5.25	8.89	4.26	5.39
Disposals during the year	-	-	-	-	-	-	-	-
Closing accumulated depreciation up to March 31, 2024	-	39.38	291.40	3,441.19	31.38	48.64	31.12	50.62
Impairment								
Opening balance	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	-	-
Impairment up to March 31, 2024	-	-	-	-	-	-	-	-
Net carrying amount as at March 31, 2024	477.56	2.23	734.79	2,241.32	29.53	36.75	13.06	17.60

Refer note 38A for information on PPE pledged as security by the Group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 4A: Capital Work-in-progress

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Reconciliation of carrying amount		
Opening balance	447.06	95.96
Additions during the year	306.19	370.51
Capitalised during the year	(62.04)	(19.41)
Closing balance	691.21	447.06

Ageing of Capital Work-in-progress as on March 31, 2024

₹ Million

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	254.27	317.52	119.41	-	691.21
Projects temporarily suspended	-	-	-	-	-
Total	254.27	317.52	119.41	-	691.21

Ageing of Capital Work-in-progress as on March 31, 2023

₹ Million

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years*	
Projects in progress	363.66	83.40	-	-	447.06
Projects temporarily suspended	-	-	-	-	-
Total	363.66	83.40	-	-	447.06

(* Capital Work-in-progress more than 3 years consist of "Milk Process Machine" which has been capitalised in June 2022.)

Notes:

- 1 For details of assets given as security against borrowings (Refer note 19 and 22)
- 2 Amount of contractual commitments for the acquisition of PPE (Refer note 44)
- 3 There are no Capital Work-in-progress (CWIP) that are overdue or have exceeded their original plan/ budget.
- 4 There is no impairment during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 5: Other intangible assets

₹ Million

Particulars	Computer software	Website Development	Brands / Trade Marks	Total
Year ended March 31, 2023				
Gross carrying amount				
Opening gross carrying amount	73.33	0.12	13.48	86.93
Additions during the year	2.26	-	-	2.26
Closing gross carrying amount as at March 31, 2023	75.59	0.12	13.48	89.19
Accumulated amortisation				
Opening accumulated amortisation	69.45	0.12	13.48	83.05
Amortisation charge for the year	4.19	-	-	4.18
Closing accumulated depreciation up to March 31, 2023	73.64	0.12	13.48	87.23
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to March 31, 2023	-	-	-	-
Net carrying amount as at March 31, 2023	1.95	-	-	1.95
Period ended March 31, 2024				
Gross carrying amount				
Opening gross carrying amount	75.59	0.12	13.48	89.19
Additions during the year	8.80	-	-	8.80
Closing gross carrying amount as at March 31, 2024	84.39	0.12	13.48	97.99
Accumulated amortisation				
Opening accumulated amortisation	73.64	0.12	13.48	87.24
Amortisation charge for the year	1.80	-	-	1.80
Closing accumulated depreciation up to March 31, 2024	75.44	0.12	13.48	89.04
Impairment				
Opening balance	-	-	-	-
Impairment during the year	-	-	-	-
Impairment up to March 31, 2024	-	-	-	-
Net carrying amount as at March 31, 2024	8.95	-	-	8.95

Note:

There are no contractual commitments for the acquisition of intangible assets as at the reporting date.

The Group does not have any project related to development of an intangible asset whose completion is overdue or any project where cost have exceeded as compared to the original plan. There are no project where activities have been suspended.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 5A: Right-of-Use assets

₹ Million

Particulars	Right-of-Use assets	Total
Year ended March 31, 2023		
Gross carrying amount		
Opening gross carrying amount	251.68	251.68
Additions during the year	58.62	58.62
Disposals during the year	-	-
Closing gross carrying amount as at March 31, 2023	310.30	310.30
Accumulated depreciation		
Opening accumulated depreciation	101.54	101.54
Depreciation charge during the year	57.99	57.99
Disposals during the year	-	-
Closing accumulated depreciation up to March 31, 2023	159.53	159.53
Impairment		
Opening balance	-	-
Impairment during the year	-	-
Impairment up to March 31, 2023	-	-
Net carrying amount as at March 31, 2023	150.78	150.78
Period ended March 31, 2024		
Gross carrying amount		
Opening gross carrying amount	310.30	310.30
Additions during the year	265.48	265.48
Disposals during the year	-	-
Closing gross carrying amount as at March 31, 2024	575.78	575.78
Accumulated depreciation		
Opening accumulated depreciation	159.53	159.53
Depreciation charge during the year	80.80	80.80
Disposals during the year	-	-
Closing accumulated depreciation up to March 31, 2024	240.33	240.33
Impairment		
Opening balance	-	-
Impairment during the year	-	-
Impairment up to March 31, 2024	-	-
Net carrying amount as at March 31, 2024	335.44	335.44

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 6 : Biological asset other than bearer plant - Livestock (Cows)

₹ Million

Particulars	As at	As at
	March 31, 2024	March 31, 2023
Balance at the beginning of the year	605.54	505.50
Less: Decrease due to sale/disposal	(23.20)	(12.86)
Add/(Less): Change in fair value less cost to sell (see note below)	175.96	112.90
Fair Value as at the end of the year	758.30	605.54

Note:

It represents change in price as well as changes on account of biological transformation. There have been no new purchase/acquisitions of biological assets.

Note 7: Non-current Investments

₹ Million

Particulars	Face value	As at		As at	
		March 31, 2024		March 31, 2023	
		Quantity (Nos)	Value	Quantity (Nos)	Value
Unquoted					
Investment in other entities (fair value through Profit or Loss)					
OPGS Power Gujarat Private Limited	-	2,18,000	-	2,18,000	-
Rupee Co-Operative Bank Ltd.(under liquidation)	-	3,800	-	3,800	-
Investment in Other entities carried (at amortized cost)	10.00	46,24,704	46.25		
TP Solapur Saurya Limited					
Other Investments					
Investment in other entities (fair value through profit or loss)					
Sharad Sahakari Bank Ltd.	-	318	-	318	-
SVC Co-operative Bank Ltd	0.00	200	0.00	200	0.00
Investment in mutual fund (fair value through Profit and Loss)					
Union Gilt Growth Fund	₹10			20,41,549	21.09
Union Multicap Fund - Regular Plan Growth	₹10			29,99,850	28.14
Total			46.25		49.23
Total non-current investments			46.25		49.23
Aggregate amount of quoted investments investments at cost			-		50.00
Aggregate amount of market value of quoted investments			-		49.23
Aggregate amount of unquoted investments at cost			46.25		-
Aggregate amount of impairment in the value of investments			-		-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Note:

The investments are in compliance with Section 186(4) of the Companies Act, 2013.

Refer note no. 39 and 40 for information about fair measurement, credit risk and market risk of investments.

The Group has not traded or invested in Crypto Currency or Virtual Currency during the financial year 2023-24 and 2022-23

Note 8: Loans - Non current

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Loan considered good-Secured	-	-
Loan considered good-Unsecured	29.07	30.00
Loan credit- impaired	2.93	-
Less : Allowances for doubtful loans	(2.93)	-
	29.07	30.00
Total	29.07	30.00

Refer note no 40 for information about credit risk and market risk for loans

Note :

- a) The Group Company has not advanced any loans or advances in the nature of loans to specified persons viz. promoters, directors, KMPs, related parties; which are repayable on demand or where the agreement does not specify any terms or period of repayment.
- b) Loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.
- c) Disclosures pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186 of the Companies Act, 2013

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
(a) Loans to Others		
Balance as at the beginning of the year	30.00	-
Loans given during the year	-	30.00
Loans repaid during the year	-	-
Balance as at the end of the year	29.07	30.00
Maximum amount outstanding at any time during the year	30.00	30.00
Total	29.07	30.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 9: Other financial assets - Non-current

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Term deposits with bank having original maturity of more than one year*	161.54	351.30
Other Deposits		
Considered good-Unsecured	99.33	77.81
Credit Impaired	34.57	32.42
Less : Allowances for doubtful deposits	(34.57)	(32.42)
	99.33	77.81
Total	260.87	429.11

*The Group held Fixed deposits with bank having original maturity of more than one year of ₹161.54 Million as at March 31, 2024 (March 31, 2023: ₹351.30 Million). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good

Note 10: Other Non-current assets

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Capital advances		
Considered good	95.84	51.11
Credit Impaired	14.07	14.07
Less : Allowances for doubtful advances	(14.07)	(14.07)
	95.84	51.11
Prepaid expenses	0.48	20.71
Total	96.32	71.82

Note 11 : Inventories

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Raw materials	100.50	151.62
Work-in-progress	2,041.21	1,709.87
Finished goods (Refer note below)	3,572.47	3,353.70
Packing material	4.38	265.82
Stores and spares	434.61	254.49
Total	6,153.17	5,735.50

Notes :

The cost of inventories recognised as an expense is disclosed in note 31 together with purchases disclosed in the Statement of profit and loss.

The mode of valuation of inventories has been stated in Note 2B (5)

The above includes goods in transit as below:

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Stock in transit - finished goods	22.21	44.72

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 12: Trade receivables

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivables – Considered good , Unsecured	2,442.56	1,682.34
Trade receivables- which have significant increase in credit risk	709.68	610.10
Less: Allowance for expected credit loss	(709.68)	(610.10)
Total	2,442.56	1,682.34
The movement in allowance for expected credit loss is as follows:		
Balance as at beginning of the year	610.10	712.10
Allowance for expected credit loss during the year	99.58	(102.00)
Trade receivables written off during the year	-	-
Balance as at the end of the year	709.68	610.10

Ageing for Trade receivables from the due date of payment for each of the category as at March 31, 2024

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 Year	1–2 Year	2–3 Year	More than 3 Years	
Undisputed Trade receivables – considered good	1,284.19	1,045.19	81.92	29.60	1.65	0.00	2,442.55
Undisputed Trade receivables – which have significant increase in credit risk	-	41.26	42.51	146.12	36.65	443.15	709.68
Undisputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables – considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
TOTAL (A)	1,284.19	1,086.45	124.43	175.72	38.30	443.15	3,152.24
Allowance for expected credit loss	-	41.26	42.51	146.12	36.65	443.15	709.68
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	-	41.26	42.51	146.12	36.65	443.15	709.68
TOTAL [(A)- (B)]	1,284.19	1,045.19	81.92	29.60	1.65	0.00	2,442.56
Percentage of expected credit loss followed for each bracket	0%	4%	34%	83%	96%	100%	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Ageing for Trade receivables from the due date of payment for each of the category as at March 31, 2023

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 Year	1-2 years	2-3 years	More than 3 Years	
Undisputed trade receivables considered good	508.74	1,115.11	43.04	15.45	-	-	1,682.34
Undisputed trade receivables which have significant increase in credit risk	-	62.66	55.96	46.57	-	390.41	555.61
Undisputed trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed trade receivables considered good	-	-	-	-	-	-	-
Disputed trade receivables which have significant increase in credit risk	-	-	-	-	-	54.49	54.49
Disputed trade receivables - credit impaired	-	-	-	-	-	-	-
TOTAL (A)	508.74	1,177.77	99.00	62.02	-	444.90	2,292.44
Allowance for expected credit loss	-	62.66	55.96	46.57	-	444.90	610.10
Allowance for credit impairment	-	-	-	-	-	-	-
TOTAL (B)	-	62.66	55.96	46.57	-	444.90	610.10
TOTAL [(A)- (B)]	508.74	1,115.11	43.04	15.45	-	-	1,682.34
Percentage of expected credit loss followed for each bracket	0%	5%	57%	75%	0%	100%	

Notes:

- Trade Receivable represents the amount of consideration in exchange for goods or services transferred to the customers that is unconditional.
- No trade receivables are due from directors or other officers of the Group, either severally or jointly with any other person, nor any trade and other receivables are due from firms or private companies respectively in which any directors is a partner, a director or a member.
- For the Group's exposure to credit and currency risk related to trade receivables - [Refer notes 40 (A) and 40 (C)].
- Trade receivables are receivable in normal operating cycle and are shown net of an allowance for bad or doubtful debts.
- Trade receivables stated above are charged on a first pari-passu basis between working capital consortium members led by Union Bank of India, SVC Co-operative Bank Limited and IDBI Bank Limited.
- There are no unbilled dues during the year.
- Trade receivables are usually on trade terms based on credit worthiness of customers as per the terms of contract with customers

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 13: Cash and cash equivalents

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Balances with banks		
- in current accounts	12.95	68.35
Short term bank deposits (maturity within 3 months)*	71.08	49.47
Cash on hand	21.55	20.17
Total	105.58	137.99

(* Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposits rates).

Note 14: Bank Balance other than cash and cash equivalents

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Short term bank deposits (maturity more than 3 months but less than 12 months)	170.16	14.98
Total	170.16	14.98

Note :

The Group held cash and cash equivalents and other bank balances of ₹275.74 Million as at March 31, 2024 (March 31, 2023: ₹152.97 Million). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Note 15: Current tax assets (net)

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Current tax assets (net)	251.44	140.97
Total	251.44	140.97

Note 16: Other current assets

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Advances other than capital advances		
Unsecured :		
Prepaid expenses	527.34	69.27
Advances to suppliers/others		
Considered good	2,349.23	2,646.40
Considered doubtful	1.11	68.56
Less : Allowances for doubtful deposit	(68.55)	(68.56)
	2,281.79	2,646.40

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Particulars	As at March 31, 2024	As at March 31, 2023
Recoverable from statutory and government authorities		
Unsecured :		
Electricity duty receivable	22.20	22.20
Less: Allowances for doubtful recovery	(22.20)	(22.20)
	-	-
PSI incentive and export subsidy receivable	886.61	729.49
Less: Provision for doubtful recovery	(9.93)	(9.93)
	876.68	719.56
Milk incentive receivable	86.20	86.20
Less: Provision for doubtful recovery	(5.50)	(5.50)
	80.70	80.70
PLI incentive receivable	155.19	58.98
Interest receivable	7.20	0.98
Unsecured, considered doubtful		
Advances and other recoverable	20.98	20.98
Recoverable from statutory and government authorities subject to outcome of assessments	25.24	25.24
Less: Allowance for doubtful advances	(46.22)	(46.22)
	-	-
Grand Total	3,928.90	3,575.89

Note 17: Equity share capital

(a) Details of Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares (Nos.)	₹ Million	Number of shares (Nos.)	₹ Million
Authorised Shares				
Equity shares of ₹10 each	20,00,00,000	2,000.00	12,00,00,000	1,200.00
Issued, Subscribed and paid-up shares				
Equity shares of ₹10 each	11,91,99,826	1,192.00	11,71,99,826	1,172.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(b) Reconciliation of the number of Equity shares and of Equity share capital amount outstanding at the beginning and at the end of the year.

Particulars	Number of shares (Nos.)	Face Value (₹)	₹ Million
As at March 31, 2022	9,51,99,826	10.00	839.39
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	9,51,99,826	10.00	952.00
Less: Amount recoverable from ESOP Trust (face value of 1,76,015 share allotted to the Trust)	-	10.00	-
Net Issued, subscribed and fully paid up share capital	9,51,99,826	10.00	952.00
Add: Issued during the year	2,20,00,000	10.00	220.00
As at March 31, 2023	11,71,99,826		1,172.00
Issued subscribed and fully paid up share capital (including share issued to ESOP Trust)	11,73,75,841	10.00	1,173.76
Issued, subscribed and fully paid up share capital	11,73,75,841	10.00	1,173.76
Add: Amount recoverable from ESOP Trust (face value of 1,76,015 share allotted to the Trust)	1,76,015	10.00	1.76
Add: Issued during the year	20,00,000	10.00	20.00
As at March 31, 2024	11,91,99,826	10.00	1,192.00

(c) Terms and rights attached to equity shares

The Holding Company has only one class of shares referred to as equity shares having a par value of ₹10 per share. Each holders of equity shares carry one vote per share without restrictions and are entitled to dividend, as and when declared. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive the remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

The Board of Directors of the Holding Company has recommended dividend of ₹0.50 (Fifty Paisa) per equity shares of the face value of ₹10 each for the financial year ended March 31, 2024 which is subject to the approval of the shareholders in the ensuring Annual General Meeting.

(d) Details of shareholders holding more than 5% shares in the Holding Company

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of shares (Nos.)	% holding	Number of shares (Nos.)	% holding
Equity shares of ₹10 each fully paid				
Mr. Devendra Prakash Shah	2,02,06,400	16.95%	2,02,06,400	17.24%
Mr. Pritam Prakash Shah	91,59,888	7.68%	91,59,888	7.82%
Mrs. Netra Pritam Shah	1,38,67,027	11.63%	1,38,67,027	11.83%
International Finance Corporation	-	-	67,56,756	5.77%
Sixth Sense Indian Opportunities III	81,67,245	6.85%	-	-
AG Dynamic Funds Ltd	-	-	73,92,250	6.31%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(e) Details of shareholdings by the Promoter's of the Holding Company.

Promoter's Name	As at March 31, 2024		As at March 31, 2023		% change in the year
	Number of shares (Nos.)	% of total shares	Number of shares (Nos.)	% of total shares	
Mr. Devendra Prakash Shah	2,02,06,400	16.95%	2,02,06,400	17.24%	0.29%
Mr. Pritam Prakash Shah	91,59,888	7.68%	91,59,888	7.82%	0.13%
Mr. Prakash Babulal Shah	100	0.00%	100	0.00%	0.00%
Mrs. Netra Pritam Shah	1,38,67,027	11.63%	1,38,67,027	11.83%	0.20%
Mrs. Priti Devendra Shah	22,22,820	1.86%	22,22,820	1.90%	0.03%
Mr. Poojan Devendra Shah	32,95,000	2.76%	32,95,000	2.81%	0.05%
Mrs. Akshali Shah	20,00,000	1.68%	-	0.00%	100.00%
Mrs. Shabdali Mitul Desai	10,000	0.01%	10,000	0.01%	0.00%
Mr. Stavan Pritam Shah	100	0.00%	100	0.00%	0.00%
Mrs. Rajani Prakash Shah	100	0.00%	100	0.00%	0.00%
Late Parag Prakash Shah	1,00,000	0.08%	1,00,000	0.09%	0.00%
Total Promoters shares outstanding	5,08,61,435	42.67%	4,88,61,435	41.69%	
Total shares outstanding	11,91,99,826		11,71,99,826		

(f) As per records of the Company, including its register of shareholders/members, the above shareholding represents legal ownerships of shares. The above percentage have been computed after excluding 176,015 nos (March 31, 2023 176,015 nos) of equity shares issued to ESOS Trust.

(g) The Holding Company has not issued any equity shares pursuant to contract without payment being received in cash or by way of bonus shares or bought back any equity shares during the last five years preceding the balance sheet date.

(h) The Holding Company has vide board resolution dated July 18, 2022, had issued 1,10,00,000 equity shares at a price of ₹93.75 (including a premium of ₹83.75) to AG Dynamics Funds Limited and 10,00,000 equity shares at a price of ₹93.75 (including a premium of ₹83.75) to Business Managers LLP on preferential basis of ₹10 each at ₹93.75 (including a premium of ₹83.75).

(i) The Holding Company had vide board resolution dated May 10, 2021 issued 50,00,000 warrants at a price of ₹111 (including a premium of ₹101) to Mr. Devendra and 50,00,000 warrants at a price of ₹111 (including a premium of ₹101) to Mrs Netra P Shah, belonging to promoter and promoter group, entitling them for the subscription of equivalent number of equity shares of ₹10 each at ₹111 each (including premium of ₹101 per share). The aforementioned issue of equity shares and share warrants are being made for general corporate purpose and working capital requirements.

During the FY 2022-23, the Holding Company has issued and allotted, 50,00,000 Equity Shares each, of face value ₹10 each fully paid up to Mr. Devendra P. Shah and Mrs. Netra P. Shah ('warrant holders') individually, consequent to the warrant holders having exercised their right for conversion of warrants into equity shares. The allotment has been made for cash, upon the receipt of the remaining exercise price of ₹83.25 per Share warrant (being an amount equivalent to the 75% of the warrant exercise price of ₹111 per warrant), aggregating to ₹832.50 Million.

(j) The Company had vide board resolution dated August 23, 2022 issued 20,00,000 warrants at a price of ₹93.75 (including a premium of ₹83.75) to Ms. Akshali Shah, belonging to promoter and promoter group, entitling them for the subscription of equivalent number of equity shares of ₹10 each at ₹93.75 (including a premium of ₹83.75). The aforementioned issue of equity shares and share warrants are being made for general corporate purpose and working capital requirements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

During the financial year 2023-24, the Company has issued and allotted, 20,00,000 Equity Shares each, of face value ₹10 each fully paid up to Ms. Akshali Shah ('warrant holder'), consequent to the warrant holder having exercised their right for conversion of warrants into equity shares.

The allotment has been made for cash, upon the receipt of the remaining exercise price of ₹70.31 per Share warrant (being an amount equivalent to the 75% of the warrant exercise price of ₹93.75 per warrant), aggregating to ₹140.63 Millions

- (k) There was no equity shares bought back, bonus shares issued, or shares allotted as fully paid up pursuant to contract without payment in cash.
- (l) There are no shares reserved for issue under options and contracts/ commitments for the sale of shares/ disinvestment.

Note 18: Other Equity

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Securities Premium	7,767.73	7,600.24
General Reserve	59.26	59.26
Retained Earnings	(8.01)	(913.84)
Other Comprehensive Income		
-Remeasurements of defined benefit plans	3.28	7.75
Money received against share warrants	-	46.88
Money received against FCCB	106.80	106.80
Total	7,929.06	6,907.09

Note: For movements in reserves - Refer Statement of Changes in Equity.

Movement in Reserves

Particulars	As at March 31, 2024	As at March 31, 2023
Securities Premium (A)		
Opening Balance (net off Premium on 1,76,015 shares allotted to the ESOP Trust)	7,600.24	5,837.74
Add: Securities premium credited on share and warrants issued *	167.49	1,762.50
Add: Securities premium credited for unutilised IPO expense provision	-	-
Closing Balance	7,767.73	7,600.24

"(*Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on February 14, 2024, the Company has issued 20,00,000 Equity Shares of ₹10 each at a premium of ₹83.75 Ms. Akshali Shah). (* Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on July 18, 2022, the Company has issued 50,00,000 Share warrants of ₹10 each at a premium of ₹101 to Mr Devendra Shah, Ms Netra Shah respectively and 1,10,00,000 and 10,00,000 equity shares on preferential basis of ₹10 each at a premium of ₹83.75 to AG Dynamics Funds Limited and Pivotal Business Managers LLP)."

Particulars	As at March 31, 2024	As at March 31, 2023
General Reserves (B)		
Opening Balance	59.26	59.26
Add: Transfer from Employee Stock Options Outstanding	-	-
Closing Balance	59.26	59.26

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Particulars	As at March 31, 2024	As at March 31, 2023
Employee Stock Options Outstanding (C)		
Opening Balance	-	-
Add: Deferred Employee Compensation Expense	-	-
Less: Transfer to General reserve	-	-
Closing Balance	-	-
Retained earnings (D)		
Opening Balance	(913.84)	(1,444.88)
Add: Profit after tax for the year	905.83	532.54
Less: Transaction Cost	-	(1.50)
Closing Balance	(8.01)	(913.84)
Share warrants (E)		
Opening Balance	46.88	25.00
Add: Additions during the year **	-	21.88
Less: Issued equity shares	(46.88)	-
Closing Balance	-	46.88
<p>(**The Company has vide board resolution dated February 14, 2024, had converted 20,00,000 convertible share warrants in to 20,00,000 equity shares havin a face value of ₹10 each at a price of ₹93.75 (including a premium of ₹83.75) issued to Ms. Akshali Shah).</p>		
Foreign Currency Convertible Bonds (FCCB) (F)		
Opening Balance	106.80	106.80
Add: Additions during the year	-	-
Closing Balance	106.80	106.80
Other Comprehensive Income (G)		
Opening Balance	7.75	4.37
Add: Change during the year (net of tax)	(4.47)	3.38
Closing Balance	3.28	7.75
Closing balance	7,929.06	6,907.09

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Nature and purpose of reserves

(a) Securities Premium

The amount received in excess of face value of the equity shares is recognised as securities premium. This reserve will be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013 ("the Act").

(b) General Reserves

General reserve is created from time to time by transferring profits from retained earnings and can be utilised for purposes such as dividend pay-out, bonus issue, etc. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(c) Retained Earnings

Retained earnings are the profits that the Company has earned till date, net-off less any transfers to general reserve, dividends or other distribution to the shareholders.

(d) Employee Stock option outstanding

The shares option outstanding account is used to recognise the grant date fair value of options issued to employees under the Employee Stock Grant Scheme which are unvested as on the reporting date and is net of the deferred employee compensation expense.

(e) Share Warrants

Share warrants are instruments that give their holder the right to buy the stock of the issuing company at a predetermined price within a stipulated time frame. They are similar to options, the holder of a warrant has the right (but not the obligation) to purchase the shares of a company at a specified price in the future.

(f) Other Comprehensive Income:

Remeasurement of Net Defined Benefit Plans: Differences between the interest income on plan assets and the return actually achieved, and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in other comprehensive income and are adjusted to retained earnings.

Debt Instruments through Other Comprehensive Income: The fair value change of the debt instruments measured at FVOCI is recognised in Debt instruments through OCI. Upon derecognition, the cumulative fair value changes on the said instruments are reclassified to the Statement of Profit and Loss.

Fair value of cash flow hedges through Other Comprehensive Income: The effective portion of the fair value change of the cash flow hedges measured at fair value through other comprehensive income is recognised in Cash flow hedges through Other Comprehensive Income. Upon derecognition, if the hedged cash flow relates to a non-financial asset, the amount accumulated in equity is subsequently included within the carrying value of that asset. For other cash flow hedges, amounts accumulated in other comprehensive income are taken to the statement of profit and loss at the same time as the related cash flow.

(g) Foreign Currency Convertible Bonds :

The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹145 per share which is subject to adjustments in accordance with the terms agreed between the parties and applicable law. FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 19: Non-Current - Borrowings

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Measured at amortised cost		
Unsecured		
FCCB Bond (Refer note 19(c))	786.02	759.82
Secured		
Non convertible Debenture (NCD) (Refer note 19(d))	1,276.04	1504.05
Term loans		
From banks		
Rupee currency loan (Refer note 19(a))	646.27	596.34
Vehicle loan (Refer note 19(b))	4.06	13.64
	650.33	609.98
Less: Current maturity related to above	(268.02)	(321.52)
Total	2,444.37	2,552.33

Notes:

(a) Indian rupee loans from a bank of ₹8.84 Million (March 31, 2023 : ₹48.87 Million) carry interest @ 9.65%-11.05%. The loans are repayable over 48-60 monthly instalments starting from March 2018, June 2019, July 2019, August 2019, September 2019, December 2019, and September 2020 along with interest. The loan is secured by pari passu charge on fixed assets and second pari passu charge on current assets of the Company and personal guarantee of Promoter Directors.

Indian rupee loan from a bank outstanding of ₹637.43 Million as at March 31, 2024 (March 31, 2023 : ₹547.47 Million) carried interest ranges from 12.4% to 12.65% p.a. The Rupee currency loan shall be payable in 85 monthly instalments starting from December 2022. The loan is secured by simple mortgage of Agricultural land and dairy land owned by the Company, located at village Sultanpur, Taluka - Ambegaon, Dist. - Pune- 410503 and admin building and cow sheds constructed thereupon along with hypothecation of existing plant and machinery, live stocks and other fixed assets and personal guarantee given by directors and their relatives.

(b) Hire purchase loan of ₹4.06 Million (March 31, 2023 : ₹13.65 Million) carries interest @ 7.45% to 9.35 % p.a. The loans are repayable in 60 monthly instalments to 36 monthly instalments starting from December 2018; November 2019 and May 2021. of ₹0.05 Million to ₹0.56 Million each. The loan is secured by specific assets financed (vehicles).

(c) Pursuant to resolution passed by the Board of Directors of the Company at the meeting held on May 28, 2021, the Company had issued 10,680 Foreign Currency Convertible Bonds (FCCB) having face value of USD 1,000 each through private placement of unlisted, unsecured, unrated to International Finance Corporation (IFC).

The conversion of the FCCBs will be at the option of IFC, the conversion price for the equity shares to be issued upon conversion of the FCCBs is ₹145 per share which is subject to adjustments in accordance with the terms agreed between the parties and applicable law.

The Company has, vide it's letter dated January 10, 2024, made an application to the Reserve Bank of India seeking prior approval for change in certain terms of aforesaid FCCBs. The approval for the same is awaited.

FCCBs shall be redeemed if not fully converted on the date that is 5 years plus one day from the date of subscription.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Coupon offered, if any of FCCB's, are repayable in 10 semi annual instalments starting from June 15, 2021;

- i. interest at the rate of 2.5% p.a. payable in dollars semi-Annually on each payment date on the outstanding unconverted amount of FCCBs till such time that the volume weighted average price per equity share of the Company traded on the relevant stock exchange for a 3 month period is below ₹175 per share;
 - ii. interest at the rate of 1.5% p.a. payable in dollars semi-Annually on each payment date on the outstanding unconverted amount of FCCBs till such time that the volume weighted average price per equity share of the Company traded on the relevant stock exchange for a 3 month period, is equal to or greater than ₹175 per share but below ₹200 per share; and
 - iii. no interest shall be payable if the volume weighted average price per equity share of the Company traded on the relevant stock exchange for a 3 month period is equal to or greater than ₹200 per share.
- (d) Non-Convertible Debentures (NCDs) issued by the Holding Company are payable as per Redemption Schedule w.e.f. June 15, 2023 to June 15, 2029 in thirteen instalments, half yearly on 15th June and 15th December of ₹115.38 Million each. The Holding Company shall use the proceeds from the issue of the Debentures pursuant to this Deed to finance its future expansion plans and working capital requirements, in accordance with the Financial Plan and applicable Law. The loan is secured by pari passu charge on Immovable Properties situated at Samudrapalle Village, Panchayathi Palamner Mandal, Andhra Pradesh together with all the erections and constructions of every description which are standing, erected or attached to the properties.
- (e) Average interest rate for the non-current borrowings is 7.45 - 11.25%.
- (f) Refer note 40 for information about liquidity risk and market risk of borrowings.
- (g) All charges have been registered with the Registrar of Companies (RoC). The Company does not have charges or satisfactory which is yet to be registered with the RoC beyond the statutory period.

Note 20: Lease Liabilities - Non Current

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Lease liability (Refer note 42)	259.41	102.33
Total	259.41	102.33

Note 21: Provisions - Non-current

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences (Refer note 43)	7.21	2.75
Provision for gratuity (net) (Refer note 43)	29.47	36.17
Total	36.68	38.92

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 22: Borrowings – current

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Secured		
Loans repayable on demand		
From banks- cash credit	3,123.72	2,932.44
Others		
Letter of Credit	282.28	88.17
Non Convertible Debenture (NCDs) (Refer note 19)	230.77	230.77
Current maturities of long-term debt (Refer note 19)	37.25	90.75
Total	3,674.02	3,342.13

Notes:

- (a) Cash credit from banks are secured by first pari passu charge on all current assets of the Company and second pari passu charge on property, plant and equipments of the Company, personal guarantee of Promoter Directors. The cash credit is repayable on demand and carries interest @ 8.45% p.a. to 12.25% p.a. Cash credit availed from banks by Subsidiary Company are secured by hypothecation of stock and book debts of the company, personal guarantee of directors and their relatives. The cash credit is repayable on demand and carries interest ranging from 12.4% to 12.65% p.a.
- (b) Bill discounting under LC / Non-LC are secured by hypothecation of bills covering inland / export sale.
- (c) Average interest rate for the current borrowings is 7.45% to 11.25%

Note 23 : Lease liabilities – Current

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Lease liability (Refer note 42)	69.17	65.60
Total	69.17	65.60

Note 24: Trade payables – Current

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
(a) Total outstanding dues of micro and small enterprises; and	118.87	12.65
(b) Total outstanding dues of creditors other than micro and small enterprises.	2,046.66	1,513.19
Total	2,165.53	1,525.84

Refer note 40 for information about liquidity and market risk of Trade payable.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Notes :

(a) Ageing for Trade payables from the due date of payment for each of the category as at March 31, 2024

₹ Million

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	70.46	41.39	6.93	0.09	-	118.87
Others	1,295.90	577.94	130.46	26.39	15.99	2,046.66
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	1,366.36	619.33	137.39	26.48	15.99	2,165.53

Ageing for Trade payables from the due date of payment for each of the category as at March 31, 2023

₹ Million

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	3.51	8.55	0.59	-	-	12.65
Others	177.03	1,287.75	38.38	1.89	8.15	1,513.19
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	180.54	1,296.30	38.97	1.89	8.15	1,525.84

(b) The Group has certain dues to supplies registered under as "micro" and "small" under Micro, Small and Medium Enterprises Act, 2006

The disclosures pursuant to the said MSMED Act are as follows:

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came in to force from October 2, 2006, certain disclosures are required to be made relating to dues to Micro and Small enterprises. On the basis of information and records available with the Management, the following disclosures are made for the amounts due to Micro and Small enterprises:

₹ Million

Particulars	March 31, 2024	March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
Principal	118.87	9.45
Interest	16.56	3.19
The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	29.97	13.41
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	29.97	13.41

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(c) This information is required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 and has been determined to the extent such parties have been identified on the basis of information available with the Company. There are no material overdue principal amounts to such vendor as at the Balance Sheet date.

The Group exposure to currency and liquidity risks related to trade payables is disclosed in note 40.

Note 25: Other Current Financial Liabilities

Particulars	₹ Million	
	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	82.08	60.93
Deposits - others	125.40	111.80
Employee related liabilities	111.61	97.98
Trade payable for capital goods other than payable to micro and small enterprises	214.69	58.74
Directors remuneration payable (Refer note 45)	27.39	15.70
Total	561.16	345.15

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as March 31, 2024 (March 31, 2023 : ₹Nil)

(a) Ageing for trade payables for capital goods from the due date of payment for each of the category as at March 31, 2024

Particulars	₹ Million					
	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	118.53	44.41	6.43	0.02	45.29	214.69
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	118.53	44.41	6.43	0.02	45.29	214.69

(b) Ageing for trade payables for capital goods from the due date of payment for each of the category as at March 31, 2023

Particulars	₹ Million					
	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	-	37.46	0.80	3.34	17.14	58.74
Disputed dues - MSME	-	-	-	-	-	-
Disputed - Others	-	-	-	-	-	-
Total	-	37.46	0.80	3.34	17.14	58.74

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 26: Other Current Liabilities

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Statutory dues payables	83.42	152.71
Payable for Expenses	46.53	-
Advances from customers*	401.72	446.68
Total	531.67	599.39

(* Does not include financing component.)

Note 27: Provisions - Current

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for compensated absences (Refer note 43)	2.23	4.51
Provision for gratuity (net) (Refer note 43)	0.58	0.54
Total	2.81	5.05

Note 28: Current tax liabilities (net)

₹ Million

Particulars	As at March 31, 2024	As at March 31, 2023
Current tax liabilities (net)	3.22	1.16
Total	3.22	1.16

Note 29 : Revenue from Operations

Disaggregation of revenue from contract with customers

The Group has determined the categories of disaggregation of revenue considering the types/ nature of contracts. The Group derives revenue mainly from the transfer of goods.

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Revenue from contract with customers:		
Sale of products	30,776.73	28,537.49
Sale of services	-	-
	30,776.73	28,537.49
B. Other operating revenues:		
Processing charges	192.46	61.89
Export benefits and incentives	0.38	0.96
Package Scheme of Incentive	269.24	240.01
Production Linked Incentive	137.22	58.98
Bio-Gas subsidy	-	10.00
Scrap sale	10.97	16.87
	610.27	388.71
Total	31,387.00	28,926.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
(i) Timing of revenue recognition		
Goods transferred at a point in time	30,787.70	28,554.36
Goods transferred over the time	-	-
Total revenue from contract with customers	30,787.70	28,554.36
Add: Processing charges	192.46	61.89
Export benefits and incentives	0.38	0.96
Package Scheme of Incentives	269.24	240.01
Production Linked Incentives	137.22	58.98
Bio-Gas subsidy	-	10.00
Total revenue from operations	31,387.00	28,926.20
(ii) Disaggregation of revenue based on product		
Liquid milk	3,509.32	3,214.15
Milk products	26,144.63	24,426.72
Cattle feed	42.33	29.41
Compost manure	35.32	31.29
Other Consumer products	1,045.14	835.92
Total revenue from contract with customers	30,776.73	28,537.49
(iii) Revenue by location of customers		
India	30,420.19	28,248.07
Outside India	367.51	306.29
Total revenue from contract with customers	30,787.70	28,554.36
Add: Processing charges	192.46	61.89
Export benefits and incentives	0.38	0.96
Package Scheme of Incentive	269.24	240.01
Production Linked Incentive	137.22	58.98
Bio-Gas subsidy	-	10.00
Total revenue from operations	31,387.00	28,926.20
Reconciliation of revenue recognised in statement of profit and loss with contracted price		
Revenue as per contracted price	32,456.46	29,511.19
Less: Discount/ Rebate	(1,668.76)	(956.82)
Total revenue from contract with customers	30,787.70	28,554.37
Add: Processing charges	192.46	61.89
Export benefits and incentives	0.38	0.96
Package Scheme of Incentive	269.24	240.01
Production Linked Incentive	137.22	58.98
Bio-Gas subsidy	-	10.00
Total revenue from operations	31,387.00	28,926.20

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

Notes :

- (a) In accordance with Indian Accounting Standard (Ind AS) 20, Accounting for Government Grants and Disclosure of Government Assistance, the Company has accounted for Industrial Promotion Subsidy under Package Scheme of Incentives, 2013 amounting to ₹269.24 Million (March 31, 2023: ₹240.01 Million), Production Link Incentives Scheme, 2021 amounting to ₹137.22 Million (March 31, 2023: ₹58.98) as Other Operating Income in Statement of profit and loss.
- (b) The Group has also accounted for export subsidy and bio-gas subsidy amounting to ₹0.38 Million (March 31, 2023: ₹0.96 Million) and ₹Nil (March 31, 2023: ₹10 Million) respectively as Other Operating Income in Statement of profit and loss.
- (c) Performance obligation in respect of sale of goods is satisfied when control of the goods is transferred to the customer, generally on delivery of the goods and payment is generally due as per the terms of contract with customers.
- (d) i) The Group does not have any contract asset as at March 31, 2024; (March 31, 2023 : Nil)
ii) The Group does not have any contract liability as at March 31, 2024; (March 31, 2023 : Nil)
iii) The Group does not receive 10% or more of its revenue from transaction with any single external customer.
- (e) Cost to obtain the contract
i) Amortisation in Statement of Profit and Loss :- Nil (Previous Year :- Nil)
ii) Recognised as contract assets at March 31, 2024:- Nil (Previous Year :- Nil)

Note 30 : Other income

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
On Financial assets measured at amortised cost		
Bank deposits	36.74	33.49
Others	5.36	1.53
Exchange fluctuation gain (net)	1.99	11.09
Provision written back (net)	-	267.53
Net gain / (loss) on sale or fair valuation of investments	7.65	0.42
Fair value changes in Livestock	175.96	112.90
Miscellaneous income	24.39	24.61
Total	252.09	451.57

(* Includes interest received on loan to related party for financial year 2022-23 (subsidiary company)).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 31: Cost of materials consumed

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw materials consumed		
Inventory at the beginning of the year	151.62	109.72
Add: Purchases during the year	22,363.39	21,767.07
Add: Purchase of fodder/ generation of raw manure during the year	-	461.59
	22,515.01	22,338.38
Less: Inventory at the close of the year	(100.50)	(151.62)
Cost of materials consumed	22,414.51	22,186.76
Packing materials, stores spares & consumables consumed		
Inventory at the beginning of the year	520.31	334.56
Add: Purchases during the year	1,954.01	1,951.34
	2,474.32	2,285.90
Less: Inventory at the close of the year	(438.99)	(520.31)
Cost of materials consumed	2,035.33	1,765.59
Total	24,449.84	23,952.35

Note 32: Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Inventories - Milk Products		
Inventories at the beginning of the year		
Finished goods	3,343.39	1,891.80
Work-in progress	1,709.87	2,451.28
Stock-in-trade	10.31	-
	5,063.57	4,343.08
Less: Inventory at the close of the year		
Finished goods	3,571.64	3,353.70
Work-in progress	2,041.21	1,709.87
Stock-in-trade	0.83	-
	5,613.68	5,063.57
Changes in inventories:		
Finished goods	(228.25)	(1,461.90)
Work-in-progress	(331.34)	741.41
Stock-in-trade	9.48	-
Net increase/ (decrease)	(550.11)	(720.49)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 33: Employee benefits expense

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries and wages (including compensated absences)*	1,031.58	889.61
Contributions to provident and other funds (Refer note 43)	44.70	37.26
Gratuity (Refer note 43)	11.44	9.07
Staff welfare expenses	76.73	44.62
Total	1,164.45	980.56

(* includes salary paid to relative of KMP (Refer note 45))

Note 34: Finance costs

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expenses on		
Borrowings	578.26	532.94
Lease liabilities (Refer note 42)	24.94	16.97
Others	159.18	1.65
Total	762.38	551.65

Note 35: Depreciation and amortisation expense

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation of Property, plant and equipment	519.93	510.57
Amortisation of intangible assets	1.80	4.19
Depreciation of Right of Use assets (Leased Assets)	80.80	57.99
Total	602.53	572.75

Note 36: Other expenses

₹ Million

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Transport and freight charges	924.90	871.03
Power and fuel	514.42	468.11
Rent (refer note 42)	168.29	125.61
Rates and taxes	94.57	62.48
Insurance	24.33	5.31

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Repairs and maintenance		
- Plant and equipments	110.67	74.09
- Building	19.28	9.47
- Others	14.30	16.45
Packing charges	159.17	132.75
Labour charges	227.88	221.20
Exchange fluctuation (net)	25.47	24.27
Security charges	15.99	19.65
Travelling and conveyance	67.14	42.89
Legal and professional fees	164.12	123.28
Director's remuneration (Refer note 45)	93.51	48.00
Sales promotion, commission & advertisement	1,308.01	743.35
Commission on sales	72.34	45.35
Allowances for doubtful debts & advances (net)	143.41	70.36
Expenditure towards Corporate Social Responsibility	6.10	-
Loss on sale or death of livestock	17.56	9.94
Bank charges	4.11	15.70
Hire charges	8.93	9.75
Provision for doubtful advance (net)	3.19	-
Fair valuation loss - investment	-	1.19
Lab Test Charges	15.91	14.87
Communication, broadband & Internet expense	28.11	9.42
Auditor's remuneration (Refer note 36.1)	3.84	4.46
Miscellaneous expenses	115.89	361.44
Total	4,351.44	3,530.42

36.1 Details of payments to auditors

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Auditors remuneration		
(a) Audit fees	4.17	3.00
(b) For others services	0.97	0.33
(c) For re-imburement of expenses	0.48	1.13
Total	5.62	4.46

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

36.2 Undisclosed income

There are no transactions which are not recorded in the books of account that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

36.3 Details of Crypto Currency or Virtual Currency

The Group has not traded or invested in Crypto currency or Virtual currency during the financial year

Note 37: Income tax

(a) The major components of recognised deferred tax assets/(liabilities) arising on account of timing differences are as follows:

For the year ended March 31, 2024

₹ Million

Particulars	Net balance April 1, 2023	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2024
Deferred tax liabilities				
Property, plant and equipment & Intangible assets	239.16	(65.08)	-	174.08
Fair value of livestock	110.86	41.27	-	152.13
Right-of-Use Asset	-	89.13	-	89.13
Sub-Total	350.02	65.32	-	415.34
Deferred tax assets				
Expected credit loss on financial assets	192.16	39.95	-	232.11
Expenses allowed on payment basis	25.10	(14.39)	1.51	12.22
Unabsorbed losses	105.45	-	-	105.45
Lease Liabilities	-	87.03	-	87.03
Sub-Total	322.71	112.59	1.51	436.81
Minimum Alternate Tax (MAT) credit				
Recognised	8.31	8.23	-	16.54
Sub-Total	8.31	8.23	-	16.54
Net Deferred tax assets/(liabilities)	(19.00)	55.50	1.51	38.01

For the year ended March 31, 2023

₹ Million

Particulars	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2023
Deferred tax liabilities				
Property, plant and equipment & Intangible assets	273.02	(33.86)	-	239.16
Fair value of livestock	79.45	31.41	-	110.86
Sub-Total	352.47	(2.45)	-	350.02
Deferred tax assets				
Expected credit loss on financial assets	220.55	(28.39)	-	192.16
Expenses allowed on payment basis	10.20	15.85	(1.15)	25.10

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	Net balance April 1, 2022	Recognised in profit or loss	Recognised in OCI	Net balance March 31, 2023
Unabsorbed losses	73.44	32.01	-	105.45
Sub-Total	304.19	19.47	(1.15)	322.71
Minimum Alternate Tax (MAT) credit				
Recognised	8.31	-	-	8.31
Sub-Total	8.31	-	-	8.31
Net Deferred tax assets/(liabilities)	(39.97)	21.92	(1.15)	(19.00)

Notes:

- (a) Minimum Alternative Tax (MAT) credit balance as at March 31, 2024 amounts to ₹16.54 Million (March 31, 2023 : ₹8.31 Million). The Company is reasonably certain of availing the said MAT credit in future years against the normal tax expected to be paid in those years.
- (b) Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income and the period over which deferred income tax assets will be recovered.

Note 38: Income tax

(b) Income tax expense

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax expense		
Current tax	-	-
Current tax on profits for the year	-	-
MAT tax	8.23	-
Adjustments for current tax of prior periods	-	-
Total	8.23	-
Deferred tax	-	-
Deferred tax charge/(credit)	(55.50)	(21.92)
MAT Credit entitlement	-	-
Total	(55.50)	(21.92)
Income tax expense	(47.27)	(21.92)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

The Holding Company has not created deferred tax asset on the following tax losses :

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Unabsorbed brought forward business loss	4,574.04	4,766.35
Unabsorbed depreciation	571.38	423.61
Total	5,145.42	5,189.96

(c) Amounts recognised in Other Comprehensive Income

Particulars	₹ Million		
	For the year ended March 31, 2024		
	Before tax	Tax (Expense) / Benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	5.98	(1.51)	4.47

Particulars	₹ Million		
	For the year ended March 31, 2023		
	Before tax	Tax (Expense) / Benefit	Net of tax
Items that will not be reclassified to profit or loss			
Remeasurement of the defined benefit plans	4.53	(1.15)	3.38

(d) Reconciliation of effective tax rate:

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Profit before income tax expense	858.56	510.62
Applicable Tax rate*	25.17%	25.17%
Expected income tax expense	215.98	128.51
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Effect of non deductible expenses	(17.24)	(39.51)
Others	(246.01)	(124.12)
Income tax expense	(47.27)	(35.12)
Effective tax rate	(5.51%)	(6.88%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note : 38A Assets pledged as security

Particulars	₹ Million	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Current Assets		
Financial assets		
Trade Receivables	2,442.56	1,682.34
Cash and cash equivalents	100.43	137.99
Other financials assets	170.16	14.98
	2,713.15	1,835.31
Non-financial assets		
Inventories	6,153.17	5,735.50
Other current assets	3,928.90	3,575.89
Total Current assets pledged as security	10,082.07	9,311.39
Non Current assets		
Non-financial assets		
Land	477.56	456.99
Building	737.02	709.59
Furniture, fittings and equipment	29.53	22.48
Plant and equipments	2241.32	2,351.21
Others	67.41	62.55
Intangible assets	8.95	1.95
Capital work-in-progress	594.54	447.06
Biological asset other than bearer plant - Livestock (Cows)	758.30	605.54
Total non-current assets pledged as security	4914.65	4657.39
Total assets pledged as security	17709.87	15804.09

Note 39: Disclosure pursuant to Indian Accounting Standard (Ind AS) 107, Financial Instruments - Disclosures

A. Accounting classification and fair values

The under mentioned table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

B. Measurement of fair value

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Fair value of cash and short-term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts largely due to short term maturities of these instruments.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

C. Fair Value Hierarchy

The fair value of financial instruments as referred to above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices for identical instrument in an active market. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period and the mutual funds are valued using closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market inputs directly or indirectly and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

₹ Million

As at March 31, 2024	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Others							
Other financial assets (non current)	-	289.94	289.94	-	-	-	-
Trade receivable	-	2,442.56	2,442.56	-	-	-	-
Cash and cash equivalents	-	105.58	105.58	-	-	-	-
Other bank balances	-	170.16	170.16	-	-	-	-
Total	-	3,008.24	3,008.24	-	-	-	-
Financial liabilities							
Borrowings - non-current	-	2,444.37	2,444.37	-	-	-	-
Borrowings - current	-	3,674.02	3,674.02	-	-	-	-
Trade payables	-	2,165.53	2,165.53	-	-	-	-
Other financial liabilities	-	561.17	561.17	-	-	-	-
Total	-	8,845.09	8,845.09	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

₹ Million

As at March 31, 2023	Carrying amount			Fair value			
	FVTPL	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Financial assets							
Other non-current financial assets							
Investments - Others	50.00	-	50.00	49.23	-	-	49.23
Others							
Others	-	30.00	30.00	-	-	-	-
Other financial assets (non current)	-	429.11	429.11	-	-	-	-
Trade receivable	-	1,682.34	1,682.34	-	-	-	-
Cash and cash equivalents	-	137.99	137.99	-	-	-	-
Other bank balances	-	14.98	14.98	-	-	-	-
Total	50.00	2,294.42	2,344.42	49.23	-	-	49.23
Financial liabilities							
Borrowings - non-current	-	2,552.33	2,552.33	-	-	-	-
Borrowings - current	-	3,342.13	3,342.13	-	-	-	-
Trade payables	-	1,525.84	1,525.84	-	-	-	-
Other financial liabilities	-	345.15	345.15	-	-	-	-
Total	-	7,765.45	7,765.45	-	-	-	-

Note 40: Financial Risk Management

Risk management framework

The Group has in place a mechanism to inform the Board about the risk assessment and minimization procedures and periodical review to ensure that management controls risk through means of a properly defined framework. The Group has formulated and adopted Risk Management Policy to prescribe risk assessment, management, reporting and disclosure requirements of the Group.

The audit committee of the holding company also oversees how management monitors compliance with the Group risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

The Group principal financial liabilities, other than derivatives, comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group operations. The Group principal financial assets include investments in equity shares, loans, trade and other receivables, and cash and cash equivalents that the Group derives directly from its operations. The Group also holds FVTOCI/FVTPL investments.

The Group activities expose it to market risk, liquidity risk and credit risk. The Group primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance.

This note explains the sources of risk to which the Group is exposed to and how the entity manages the risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(A) Credit risk

Trade and Other receivables

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables. The carrying amounts of financial assets represent the maximum credit risk exposure.

The Group has adopted a policy of dealing with credit worth counter parties and obtaining collateral where appropriate as a means of mitigating the risk of financial loss from defaults

Concentration of credit risk with respect to Trade receivables are limited, due to the customer base being large, diverse and across sector and countries. All trade receivables are reviewed and assessed for default on quarterly basis.

Trade receivables are typically unsecured and are derived from revenue earned from customers located in India. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. In monitoring customer credit risk, customers are Grouped according to their credit characteristics, including whether they are General trade, Modern trade, Institutional and Horeca customers. Outstanding customers are regularly monitored.

Summary of the Company's exposure to credit risk by age of the outstanding from various customers is as follows:

	₹ Million	
Particulars	March 31, 2024	March 31, 2023
Outstanding for a period not exceeding six months	2,370.64	1,686.52
Outstanding for a period exceeding six months	781.60	605.92
Gross trade receivables	3,152.24	2,292.44
Less: Allowance for expected credit loss	(709.68)	(610.10)
Net trade receivables	2,442.56	1,682.34

On account of adoption of Ind AS 109, Financial Instruments, the Group uses expected credit loss model to assess the impairment loss. The Group computes the expected credit loss allowance as per simplified approach for trade receivables based on available external and internal credit risk factors such as the ageing of its dues, market information about the customer and the Group historical experience for customers. The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is based on the ageing of the receivable days and the rates as given in the provision matrix.

The movement in the loss allowance in respect of trade and other receivables is as follows

	₹ Million
Loss allowance on trade receivables	Amount
Balance as at April 1, 2022	712.10
Add: Allowance for expected credit loss	41.81
Less: Reversal of allowance for expected credit loss	(143.80)
Balance as at March 31, 2023	610.10
Add: Allowance for expected credit loss	-
Less: Reversal of allowance for expected credit loss	99.58
Balance as at March 31, 2024	709.68

Cash and bank balances:

Credit risk on cash and bank balances is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by domestic credit rating agencies.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 40: Financial Risk Management

(B) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due. Management monitors rolling forecasts of the group's liquidity position (comprising the undrawn borrowing facilities) and cash and cash equivalents on the basis of expected cash flows. The Group objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdraft/ cash credit facility. The Group also monitors the level of expected cash inflows on trade receivables together with expected cash outflows on trade payables and other financial liabilities. The Group has access to a sufficient sources of short term funding with existing lenders that could be arrange upon should there be need.

(i) Maturities of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted.

₹ Million					
Contractual maturities of financial liabilities March 31, 2024	Carrying value	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives financial liabilities					
Borrowings – non-current (including interest accrued but not due)	2,519.41	318.71	291.12	1,909.59	2,519.41
Borrowings – current	3,674.02	3,674.02	-	-	3,674.02
Trade payables	2,165.53	1,985.68	137.39	42.46	2,165.53
Lease Liabilities	328.59	69.18	44.34	215.07	328.59
Other financial liabilities	486.13	486.13	-	-	486.13
Total non-derivative liabilities	9,173.68	6,533.72	472.85	2,167.12	9,173.68

₹ Million					
Contractual maturities of financial liabilities March 31, 2023	Carrying value	1 year or less	1-2 years	2- 5 years	Total
Non-derivatives financial liabilities					
Borrowings – non-current (including interest accrued but not due)	2,907.37	146.89	219.72	2,540.76	2,907.37
Borrowings – current	3,342.13	3,342.13	-	-	3,342.13
Trade payables	1,525.84	1,475.70	39.38	10.76	1,525.84
Lease Liabilities	167.93	65.60	53.06	49.27	167.93
Other financial liabilities	303.36	303.36	-	-	303.36
Total non-derivative liabilities	8,246.63	5,333.68	312.16	2,600.79	8,246.63

(C) Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from adverse changes in market rates and prices (such as interest rates and foreign currency exchange rates) or in the price of market risk-sensitive instruments as a result of such adverse changes in market rates and prices. Market risk is attributable to all market risk-sensitive financial instruments, all foreign currency receivables and payables and all short-term and long-term debt. The group is exposed to market risk primarily related to foreign exchange rate risk and interest rate risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(i) Foreign currency risk

The Group is subject to risk of changes in foreign currency values that impact costs of imported raw material and import of equipment for expansion of plants, primarily with respect to USD and EURO. The Group business model incorporates assumptions on currency risks and ensures any exposure is covered through the normal business operations.

The Group has not entered into any derivative transactions during the year and there were no derivative transactions outstanding as on March 31, 2024.

(a) The Group unhedged exposure to foreign currency risk at the end of the reporting period are as follows

₹ Million

Sr no	Particulars	Currency	As at March 31, 2024		As at March 31, 2023	
			₹	Foreign currency	₹	Foreign currency
A	Financial assets					
(i)	Trade receivables	USD	48.42	0.58	52.47	0.64
B	Financial liabilities					
(i)	FCCB	USD	786.02	10.68	759.82	10.68
	Interest Payable on FCCB	USD	-	-	6.47	0.08
(ii)	Trade payables	EURO	(0.13)	(0.00)	(5.88)	(0.07)
		CHF	(0.06)	(0.00)		

(b) Sensitivity

A reasonably possible strengthening (weakening) of the Indian Rupee against various currency mentioned in the table below as at March 31, 2024 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

₹ Million

	Profit / (loss) before tax gain / (loss)		Equity, gross of tax	
	Strengthening	Weakening	Increased	(Decreased)
March 31, 2024				
Effect in ₹				
1 % movement				
USD	(0.48)	0.48	(0.48)	0.48
EUR	(0.00)	0.00	(0.00)	0.00
CHF	(0.00)	0.00	(0.00)	0.00
March 31, 2023				
Effect in ₹				
1 % movement				
USD	(0.46)	0.46	(0.46)	0.46
EUR	(0.06)	0.06	(0.06)	0.06

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(i) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

The Group borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(a) Interest rate risk exposure

Group interest rate risk arises from borrowings. The interest rate profile of the Group's interest-bearing financial instruments as reported to the management of the Group is as follows :

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Fixed rate instruments		
Financial assets		
Bank deposits	402.79	415.75
Total	402.79	415.75

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Variable rate instruments		
Financial liabilities		
Non-current borrowings	2,444.37	2,552.33
Current maturities of non-current borrowings	268.02	321.52
Current borrowings	3,406.00	3,020.61
Total	6,118.39	5,894.46

(b) Cash flow sensitivity analysis for variable-rate instruments

The sensitivity analysis below has been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming that the amount of the liability as at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents Management's assessment of the reasonably possible change in interest rates. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

Particulars	Impact on profit / (loss) - Increase / (Decrease) in profit	
	March 31, 2024	March 31, 2023
Interest rates – increase by 100 basis points *	(61.18)	(58.94)
Interest rates – decrease by 100 basis points *	61.18	58.94

(* Holding all other variables constant)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 41: Capital Management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans, long term and other strategic plans and the requirements of the financial covenants. To maintain or adjust the capital structure, the Holding Company may adjust its dividend payment ratio to shareholders, return capital to shareholders or issue fresh shares.

The Group monitors capital using a ratio of 'adjusted net debt' to 'equity'. For this purpose, adjusted net debt is defined as liabilities, comprising interest-bearing loans and borrowings less cash and cash equivalents. Equity comprises all components of equity including share premium and all other equity reserves attributable to the equity share holders.

(b) Dividend

The Board of Directors of the Holding Company has recommended dividend of ₹0.50 (Fifty Paise) per equity shares of the face value of ₹10 each for the financial year ended March 31, 2024 which is subject to the approval of the shareholders in the ensuing Annual General Meeting.

(c) Net Debt Reconciliation

The Group adjusted net debt to equity ratio are as follows.

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Borrowings		
Long term and Short term borrowings	5,850.37	5,572.94
Current maturities of Long term borrowings	268.02	321.52
Less: Cash and cash equivalents	(437.28)	(504.27)
Adjusted net debt	5,681.11	5,390.19
Total Equity	9,121.06	8,079.09
Adjusted net equity	9,121.06	8,079.09
Adjusted net debt to adjusted equity ratio	0.62	0.67

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital of the Group during the current and previous year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 42:- Disclosure pursuant to Indian Accounting Standard (Ind AS) 116, Leases

The company has entered into commercial leases for taking building (office spaces) and Plant & Equipment on lease. These leases have an average term of three to five years included in the agreements. There are no restrictions placed upon the Company by entering into these leases. Some of the lease arrangements also include a non-cancellable period, purchase option and escalation clauses. The Company has not given any sub lease during the year.

A. Right-of-Use assets

	₹ Million	
Carrying Value	March 31, 2024	March 31, 2023
Opening balance	310.30	251.68
Additions/ (Deletions)	265.48	58.62
Disposal / derecognized during the year	-	-
Closing balance	575.78	310.30

	₹ Million	
Accumulated depreciation	March 31, 2024	March 31, 2023
Opening balance	159.53	101.54
Additions/ (Deletions)	80.80	57.99
Disposal / derecognized during the year	-	-
Closing balance	240.33	159.53

B. Lease Liabilities

	₹ Million	
Particulars	March 31, 2024	March 31, 2023
Opening balance	167.93	164.48
Additions/ (Deletions)	252.87	58.63
Accredition of interest	24.94	17.62
Payments	117.16	72.80
Closing balance	328.58	167.93

	₹ Million	
Lease liabilities	March 31, 2024	March 31, 2023
Current	69.17	65.60
Non - current	259.41	102.33
Total	328.58	167.93

C. Disclosure for minimum lease rentals payable under non-cancellable lease agreements are as below:

	₹ Million	
Lease liabilities	March 31, 2024	March 31, 2023
Not later than one year	52.40	76.35
Later than one year and not later than five years	199.28	107.85
Total	251.68	184.20

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

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FOR THE YEAR ENDED MARCH 31, 2024

D. Amounts to be recognised in Statement of profit and loss for the year ended March 31, 2024

₹ Million

Particulars	March 31, 2024	March 31, 2023
Depreciation expense of Right-of-Use assets	80.80	57.99
Interest expense on lease liabilities	24.94	17.62
Total	105.74	75.61

Total cash out flow for lease amount of ₹82.82 Millions during the year (previous year: ₹71.96 Millions) including cash outflow of short term and low value leases

E. Lease rent

₹ Million

Particulars	March 31, 2024	March 31, 2023
Lease payments recognised for short term leases in Statement of Profit and Loss during the year	168.29	125.61
Total	168.29	125.61

Notes:

As at balance sheet date, the company is not exposed to future cashflows for extension / termination options, residual value guarantees and leases not commenced to which lessee is committed.

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

These leases are short-term in nature and the Company has elected not to recognise right-of-use-assets and lease liabilities for these assets

The effective interest rate for lease liabilities is 10-11%, with maturity between financial years 2024-2025 to 2028-2029.

The Company has recognised expenses relating to short term leases and low value leases in the statement of profit and loss directly for which the recognition exemption has been applied.

Note 43: Disclosure pursuant to Indian Accounting Standard (Ins AS) 19, Employee Benefits

A. Defined contribution plan

The Group has recognised an amount of ₹44.70 Million (March 31, 2022: ₹37.26 Million) as expenses under the Defined Contribution Plans in the Statement of Profit and Loss as below:

₹ Million

Benefit/Contribution to	March 31, 2024	March 31, 2023
Provident Fund	39.08	32.10
National Pension Scheme	1.24	0.63
Employees State Insurance	4.38	4.40
Labour Welfare Fund	-	0.13
Total	44.70	37.26

B. Defined Benefit Plan- Gratuity

The Group operates a defined benefit gratuity plan, which is governed by the Payment of Gratuity Act, 1972. The plan entitles an employee who has completed at least five years of continuous service, to gratuity at the rate of fifteen days wages for every completed year of service or part thereof in excess of six months, based on the last drawn wage by the employee concerned, subject to the maximum limit specified under the Payment of Gratuity Act, 1972 as amended from time to time. The gratuity amount is payable on termination of the employee or retirement whichever event is earlier, the benefit vest after five years of continuous service.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

The defined benefit gratuity plan is administered by a Trust that is legally separate from the Group. The gratuity plan is a funded plan, managed by Life Insurance Group ("LIC") and the Group's makes annual contributions to Group Gratuity cum Life Assurance Scheme managed by LIC.

The most recent actuarial valuation of the defined benefit obligation was carried out as at March 31, 2024. The present value of the defined benefit obligations and the related current service cost and past service costs were measured using Projected Unit Credit Method.

These plans typically expose the Group to actuarial risks such as: inherent interest rate risk, longevity risk and salary risk.

Investment Risk	For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.
Market Risk (Interest Rate)	Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.
Longevity Risk	The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.
Actuarial Risk	Salary Increase Assumption - Actual Salary increase that are higher than the assumed salary escalation, will result in increase to the Obligation at a rate that is higher than expected. Attrition/Withdrawal Assumption- If actual withdrawal rates are higher than assumed withdrawal rates, the benefits will be paid earlier than expected. Similarly if the actual withdrawal rates are lower than assumed, the benefits will be paid later than expected. The impact of this will depend on the demography of the company and the financials assumptions
Regulatory Risk	Any Changes to the current Regulations by the Government, will increase (in most cases) or Decrease the obligation which is not anticipated. Sometimes, the increase is many fold which will impact the financials quite significantly.

Based on the actuarial valuation obtained in respect of gratuity, the table below sets out the status of the gratuity plan and the amounts recognized in the Group financial statements as at the balance sheet date.

	₹ Million	
Defined benefit plans	March 31, 2024	March 31, 2023
I Expenses recognised in statement of profit and loss during the year:		
Current service cost	9.38	8.54
Expected return on plan assets	(2.78)	(2.56)
Interest cost on benefit obligation	4.84	3.82
Total Expenses	11.44	9.80
II Expenses recognised in OCI		
Actuarial (gain) / loss due to demographic assumption changes in DBO	(0.03)	-
Actuarial (gain) / loss due to financial assumption changes in DBO	0.64	1.86

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Defined benefit plans	March 31, 2024	March 31, 2023
Actuarial (gain)/ losses due to experience in DBO	4.92	(5.76)
Return on Plan Assets (greater) / less than Discount rate	0.45	(0.62)
Total Expenses	5.98	(4.52)
III Net asset /(liability) recognised as at balance sheet date:		
Present value of defined benefit obligation (DBO)	(88.01)	(74.23)
Fair value of plan assets	57.95	37.52
Funded status [Surplus/(Deficit)]	(30.06)	(33.50)
IV Movements in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	74.23	63.55
Current service cost	9.38	8.54
Interest cost	4.84	3.82
Actuarial (gain)/ loss	5.39	3.62
Benefits paid	(5.83)	(5.30)
Present value of defined benefit obligation at the end of the year	88.01	74.23
V Movements in fair value of the plan assets		
Opening fair value of plan assets	37.51	37.70
Expected returns on plan assets	2.78	2.56
Actuarial (gain)/ loss on Plan assets	(0.45)	(0.01)
Contribution from employer	23.67	1.75
Benefits paid	(5.55)	(4.49)
Closing fair value of the plan assets	57.95	37.51
VI Maturity profile of defined benefit obligation		
Within the next 12 months (next annual reporting period)	21.58	18.36
Between 2 to 5 years	44.01	37.51
Between 6 to 10 years	33.55	28.20
Over 10 years	30.87	27.26
VII Quantitative sensitivity analysis for significant assumptions is as below:		
1 Increase/(decrease) on present value of defined benefit obligation at the end of the year		
(i) +100 basis points increase in discount rate	(4.73%)	(4.10%)
(i) -100 basis points decrease in discount rate	5.24%	4.50%
(iii) +100 basis points increase in rate of salary increase	5.23%	4.50%
(iv) -100 basis points decrease in rate of salary increase	(4.82%)	(4.18%)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Defined benefit plans	March 31, 2024	March 31, 2023
2 Sensitivity analysis method		
Sensitivity analysis performed by varying a single parameter while keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed simultaneously. The method used does not indicate anything about the likelihood of change in any parameter and the extent of the change if any.		
VIII Actuarial Assumptions:		
Discount rate	7.19%	6.79%
Expected return on assets	7.42%	6.79%
Expected rate of salary increase	6.00%	6.50%
Withdrawal rate	14.00%	13.00%
Mortality	Indian Assured Lives Mortality (2012-14) Ultimate	Indian Assured Lives Mortality (2012-14) Ultimate

- The rate used to discount post-employment benefit obligations is determined by reference to market yields at the end of the reporting period on government bonds.
- The estimates of future salary increases considered in the actuarial valuation take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- The gratuity fund is managed by life insurance Group, details of fund invested by insurer are not available with Group.
- The Company expects to make a contribution of ₹21.00 Million to the defined benefit plans (gratuity - funded) during the next financial year.
- The average duration of the defined benefit plan obligation at the end of the reporting period is 6.57 years.

C. Annual leave and sick leave (compensated absence)

The liability towards compensated absences (annual leave and sick leave) for the year ended March 31, 2024 based on actuarial valuation carried out by using Projected Unit Credit method resulted in increase in liability by ₹2.18 Million. (Previous Year- decreased by ₹. 0.11 Million) Total liability on account of compensated absences as on March 31, 2024 is ₹9.44 Million (March 31, 2023 : ₹7.26 Million)

Financial Assumptions	March 31, 2024	March 31, 2023
Discount rate	7.19%	7.43%
Basic salary increases allowing for price inflation	6.00% -7.00%	6.00% -7.00%
Demographic Assumptions	March 31, 2024	March 31, 2023
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Employee turnover	13.00%	13.00%
Leave Availment Ratio	5.00%	15% for two years

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Note 44: Contingent liabilities and Commitments

₹ Million

Sr no	Particulars	As at March 31, 2024	As at March 31, 2023
(A) Contingent liabilities			
Holding Company			
a)	Sales tax matter under litigation in respect of Company for FY 2009-10, F.Y. 2010-11 for pending forms and lower allowance on account of Central Quantum Benefit, against which appeal has been filed.	39.74	40.20
b)	Goods and Service Tax matter under litigation in respect of Company for FY 2017-18 & FY 2018-19	41.30	6.44
c)	Income tax matter under litigation for the AY 2013-14 to AY 2014-15, AY 2016-17 and AY 2018-19 to AY 2022-23	455.99	545.96
Subsidiary Company			
a)	Goods and Service Tax matter under litigation in respect of Company for FY 2018-19	11.79	-
(B) Commitments			
Holding Company			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	14.22	164.60
b)	There are no contractual commitment for acquisition of ROU asset as at the reporting date.	-	-
Subsidiary Company			
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for	220.44	346.79
b)	There are no contractual commitment for acquisition of ROU asset as at the reporting date.	-	-

Notes:

- The Group is involved in other disputes, lawsuits, claims, inquiries and proceedings including commercial matters that arise from time to time in the ordinary course of business. The Group believes that there are no such pending matters that are expected to have any material adverse effect on its financial statements in any given reporting period.
- The amounts shown above represent the best possible estimates of pending litigations/disputes arrived at on the basis of available information. The above do not include potential risks/demands, if any, for ongoing issues where no claims have been made against the Group.
- Pending resolution of the respective proceedings, it is not practicable for the Group to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgements/ decisions pending with various forums/ authorities.

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Note 45: Disclosure pursuant to Indian Accounting Standard (Ind AS) 24, Related Party Disclosures

(i) Names of related parties and nature of relationship:

Description of relationship and Name of Party	Description of relationship & Name of Party
Key Management Personnel (KMP)	Directors
Mr. Devendra Shah – Chairman	Mr. Nitin R. Dhavalikar – Director
Mr. Pritam Shah – Managing Director & Interim CFO	Ms. Radhika Dudhat – Director
Ms. Akshali Shah – Executive Director (w.e.f December 25, 2022)	Mr. Narendra Ambwani – Director
Mr. Surendra Malaviya – Interim CFO (till April 28, 2023)	Mr. Ramesh Chandak – Director (till August 12, 2022)
Mr. Krishnamurthy Suryanarayan – CFO (till November 13, 2022)	Mr. B. M. Vyas – Director (till June 29, 2022)
Mrs. Rachana Sanganeria – CS (till September 30, 2022)	Mr. Dnyanesh Vishnu Darshane (w.e.f. December 25, 2022)
Mr. Virendra Varma – CS (w.e.f October 18, 2022)	Mr. Nikhil Vora
Relative of Key Management Personnel	Entity in which KMP can exercise significant influence
Mr. Poojan Shah – Son of Mr. Devendra Shah (Chairman)	Bharat Trading Company
Mrs. Priti Shah – Spouse of Mr. Devendra Shah (Chairman)	SBM Advisors LLP
Mrs. Netra Shah – Spouse of Mr. Pritam Shah (Managing Director)	
Mr. Stavan Shah – Son of Mr. Pritam Shah (Managing Director)	

(ii) Details of transactions between the Company and related parties for the year ended March 31, 2024:

(a) Transaction during the year

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Remuneration to Key Management Personnel and their relatives *		
Devendra Shah	24.00	24.00
Pritam Shah	24.00	24.00
Rachana Sanganeria (CS)	-	1.42
Virendra Varma (CS)	2.26	0.89
Akshali Shah		5.03
- Short term employee benefits	8.62	
- Post employment benefits	0.16	
Poojan Shah	2.13	1.16
Stavan Shah	2.13	1.11
Surendra Malaviya	-	1.83
Krishnamurthy Suryanarayan	-	1.02
Netra Shah	0.56	0.56

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Particulars	March 31, 2024	March 31, 2023
Rent Payment		
Devendra Shah	7.44	7.44
Pritam Shah	4.20	4.28
Priti Shah	0.24	0.24
Netra Shah	0.24	0.24
Reimbursement of expenses KMP		
Devendra Shah	0.90	2.61
Pritam Shah	2.59	2.48
Akshali Shah	2.34	-
Commission to Directors		
Devendra Shah	9.46	-
Pritam Shah	9.46	-
Akshali Shah	9.46	-
Nitin R. Dhavalikar	2.15	-
Radhika Dudhat	2.23	-
Narendra Ambwani	1.98	-
Dnyanesh Vishnu Darshane	1.98	-
Director sitting fees		
Nitin R. Dhavalikar	1.30	2.20
Radhika Dudhat	1.00	1.20
Narendra Ambwani	1.10	1.40
Ramesh Chandak	-	0.50
BM Vyas	-	0.20
Dnyanesh Vishnu Darshane	1.10	0.10
Consultancy fee including out of pocket expenses		
<i>B.M. Vyas</i>	-	0.48
Share warrants issued		
Devendra Shah		555.00
Netra Shah		555.00
Akshali Shah	20.00	

(* The remuneration to the key managerial personnel and their relatives (if any) comprises of only short term benefits and does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole. Further, the remuneration to key managerial personnel does not include employee stock compensation expense.)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

(b) Details of balances outstanding as at March 31, 2024 :

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Amount Payable to		
Devendra Shah	9.81	8.25
Pritam Shah	17.74	7.60
Nitin R. Dhavalikar	0.82	-
Radhika Dudhat	0.96	-
Narendra Ambwani	0.86	-
Dnyanesh Vishnu Darshane	0.86	-
Virendra Varma (CS)	0.17	-
B.M. Vyas	-	0.60
Akshali Shah	-	0.43
Poojan Shah	0.18	0.10
Netra Shah	0.64	0.38
Priti Shah	0.59	0.38
Stavan Shah	0.18	0.10
Personal guarantee issued by		
Devendra Shah and Pritam Shah	4,675.77	3,964.64

Note 46: Disclosure pursuant to Indian Accounting Standard (Ind AS) 33, Earnings Per Share

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Profit/(Loss) attributable to Equity shareholders (₹ Million)(A)	905.83	532.55
Amount of interest debited to statement of Profit & Loss for convertible bonds (₹ Million)	11.94	21.82
Weighted average number of Equity shares (Nos) for basic EPS (B)	11,74,56,657	10,50,68,319
Effect of Dilution :		
Weighted average number of Treasury shares held through ESOP Trust (Nos)	1,76,015	1,76,015
Number of shares under share warrant and FCCB (Nos)	53,28,942	53,28,942
Weighted average number of Equity shares (Nos) adjusted for the effect of dilution (C)	12,29,61,613	11,05,73,276
Basic EPS (in ₹) (A/B)	7.71	5.07
Diluted EPS (in ₹) (A/C)	7.47	4.96

Basic: Basic earnings per share is calculated by dividing the profit attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year, excluding equity shares held as treasury shares.

Diluted: Diluted earnings per share is calculated by adjusting the weighted average number of equity shares outstanding during the year for assumed conversion of all dilutive potential equity shares. Employee share options are dilutive potential equity shares for the Company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 47: Disclosure pursuant to Indian Accounting Standard (Ind AS) 108, Operating Segments

The Managing Director of the Holding Company acts as the Chief Operating Decision Maker (CODM) of the Group and in accordance with Indian Accounting Standard (Ind AS) 108, Operating Segments, for purpose of assessing the financial performance and position of the Group, and make strategic decisions. The Group's business activities are mainly related to processing of milk and manufacturing of milk related products, which are primarily assessed as a single reportable operating segment by the CODM.

The information based on geographical areas in relation to revenue and non-current assets are as below:

(a) Revenue from operations

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Within India	31,019.49	28,619.91
Outside India	367.51	306.29
Total	31,387.00	28,926.20

(b) Non-current operating assets

All non – current assets other than financial instruments, deferred tax assets of the group are located in India

(c) The group does not have revenues from transactions with a single external customer amount to 10 per cent or more of the total revenues.

Note 48: Biological assets

A Nature of activities

The Group's subsidiary biological assets comprises of livestock (dairy cows).

Livestock is measured at fair value less cost to sell, with any resulting gain or loss recognized in the Statement of profit and loss. The Group's subsidiary livestock comprises of both mature and immature livestock.

Immature livestock comprises dairy cows that are intended to be reared to maturity. These cows are held to produce milk or offspring, but have not yet produced their first calf and begun milk production.

Mature livestock includes dairy cows that have produced their first calf and begun milk production.

Other livestock comprises of cows that are going through the dry phase of their life cycle.

Particulars	As at March 31, 2024 (Headcount in Nos)	As at March 31, 2023 (Headcount in Nos)
Immature cows	1,429	1,096
Mature cows	1,811	1,536
Other cows	246	298
Total	3,486	2,930
Total milk production(In Ltrs)	1,30,76,726	1,10,51,963

The Group's subsidiary is exposed to fair value risks arising from changes in price of raw milk and it does not anticipate that the price of the raw milk will decline significantly in the foreseeable future and the Group's subsidiary is of the view that there is no available derivative or other contracts which the Group's subsidiary can enter into to manage the risk of a decline in the price of the raw milk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

B Fair Value Measurements

Fair value hierarchy

Particulars	₹ Million		
	As at March 31, 2024	As at March 31, 2023	Fair value hierarchy
Livestock (Cow)	758.30	605.54	Level 3

Valuation technique used in the fair value measurement

Particulars	Valuation technique	Significant unobservable input	Inter-relationship between significant unobservable inputs and fair value measurements
Livestock (milking cows)	The fair values of dairy cows is determined by using the multi-period excess earnings method, which is based on the discounted future cash flows to be generated by such dairy cows.	<ul style="list-style-type: none"> Estimated feeding cost/ milking cow Estimated milk yield/ milking cow Estimated weighted average selling price of milk / litre Discount rate 	<ul style="list-style-type: none"> Estimated feeding cost/ milking cow increase by 1% would reduce the fair valuation by ₹47.42 Million and ₹40.67 Million as of March 31, 2024 and 2023. Estimated milk yield/ milking cow increase by 1% would increase the fair valuation by ₹25.85 Million and ₹23.06 Million as of March 31, 2024 and 2023. Estimated weighted average selling price of milk / litre increase by ₹1/ litre would increase the fair valuation by ₹40.91 Million and ₹28.08 Million as of March 31, 2024 and 2023. Discount rate increase by 1% would reduce the fair valuation by ₹36.44 Million and ₹28.46 Million as of March 31, 2024 and 2023.

The Company is exposed to a number of risks relating to its agricultural activities:

a) Regulatory and environmental

The Group's subsidiary is subject to various local laws and regulations, and it has established policies and procedures aimed at ensuring compliance with the same.

b) Supply and demand

The Group's subsidiary is exposed to the risk arising from fluctuations in milk prices. The Group's subsidiary does not anticipate that the price of the raw milk will decline significantly in the foreseeable future. Further, there are no available derivatives or other contracts available in the market for managing such risk.

c) Climate and other risks

The Group's subsidiary livestock is exposed to risk of adverse climatic conditions and diseases etc. The Group's subsidiary has extensive processes in place to address the risk by having an in-house veterinary doctor and dispensary, regular health checkups of livestock cattle.

Note 49: Disclosure pursuant to Indian Accounting Standard (Ind AS) 102, Share-Based Payments

The Board of Directors constituted the equity settled Employee Stock Option Plan ("ESOP 2022") vide its resolutions dated August, 2022 for issue of 5,00,000 stock options to the key employees of the Company, which has been approved in the Company's Annual General meeting dated September 30, 2022 further ESOP 2022 was amended in the Annual General meeting dated September 27, 2023 by increasing the pool size from erstwhile 5,00,000 Stock Options to 25,00,000 Stock Options. Additionally as per ESOS 2015 approved by member's resolution dated April 3, 2015 which was further amended vide special resolution dated May 16, 2015 and which was ratified post IPO by the shareholders in the 26th AGM held on September 19, 2018 the balance 1,76,015 shares available under ESOS 2015 got transferred to ESOP 2022 vide amended to ESOS 2015

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

The number of shares allocated for allotment under ESOP 2022 is 25,00,000 equity shares of ₹10 each (including 1,76,015 shares held by ESOP trust vide amendment to ESOS 2015). The scheme are monitored and supervised by Nomination and Remuneration Committee of the Board of Director in compliance with provision of Securities and Exchange Board of India (Shares Based Employee Benefits & Sweat Equity) Regulation, 2021 and any circulars/notifications/guidance/frequently asked question issued thereunder as amended from time to time. The Employee Stock Option Plan includes employees of Parag Milk Foods Limited and its subsidiaries.

According to ESOP 2022, the employee selected will be entitled to stock options, subject to satisfaction of the prescribed vesting conditions in the scheme. The contractual life (comprising the vesting period and the exercise period) of options granted is 5 years. The other relevant terms of the grant are as below. The fair valuation of the option have been computed as per the black scholes pricing model.

Particulars	Vest-1	Vest-2	Vest-3
Vesting Period	1 years	2 Years	3 Years
Vesting	10.00%	46.00%	44.00%
Exercise Period	7 Years	6 Years	5 Years
Expected Life	4.5 Years	5 Years	5.5 Years
Exercise Price	₹10	₹10	₹10
Fair value using Black Scholes model on grant date	₹197.35	₹197.27	₹197.18
Date of grant	07-Feb-24	07-Feb-24	07-Feb-24

The details of activity under ESOP 2022 are summarized below:

Particulars	₹ Million			
	March 31, 2024		March 31, 2023	
	No. of options	WAEP (₹)	No. of options	WAEP (₹)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	-	-	-	-
Forfeited/lapsed during the year	-	-	-	-
Exercised during the year	-	-	-	-
Exercisable/ Vested during the year	-	-	-	-
Outstanding at the end of the year:	-	-	-	-
of which Options vested and exercisable at the end of the year	-	-	-	-

Vest-1	March 31, 2024	March 31, 2023
Dividend yield (%)	0.33	-
Expected volatility	50.76%	-
Risk-free interest rate (%)	6.98%	-
Weighted average share price	207.70	-
Exercise price (₹)	10.00	-
Expected life of options granted in years	4.5 yrs	-
Life of option remaining in months	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Vest-2	March 31, 2024	March 31, 2023
Dividend yield (%)	0.33	-
Expected volatility	49.20%	-
Risk-free interest rate (%)	6.99	-
Weighted average share price	207.70	-
Exercise price (₹)	10.00	-
Expected life of options granted in years	5 yrs	-
Life of option remaining in months	-	-

Vest-3	March 31, 2024	March 31, 2023
Dividend yield (%)	0.33	-
Expected volatility	47.87%	-
Risk-free interest rate (%)	7.00	-
Weighted average share price	207.70	-
Exercise price (₹)	10.00	-
Expected life of options granted in years	5.5 yrs	-
Life of option remaining in months	-	-

Expenses arising from share based payment transactions

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	₹ Million	
	March 31, 2024	March 31, 2023
Employee option plans	-	-

Note 50: Statement of net assets and Profit or Loss attributable to owners and non controlling Interest

Name of Entity	Net assets i.e. total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income/(loss)		Share in total comprehensive income	
	As % of consolidated net assets	Amount ₹ Million	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Holding								
Parag Milk Foods Ltd	101.27%	9,237.16	99.88%	904.71	97.54%	4.36	99.89%	900.35
Sub-total	101.27%	9,237.16	99.88%	904.71	97.54%	4.36	99.89%	900.35
Subsidiary (Indian)								
Bhagalaxmi Dairy Farm Private Limited	(1.27%)	(116.10)	0.12%	1.12	2.46%	0.11	0.11%	1.01
Sub-total	(1.27%)	(116.10)	0.12%	1.12	2.46%	0.11	0.11%	1.01
Total	100.00%	9,121.06	100.00%	905.83	100.00%	4.47	100.00%	901.36
Consolidated Net Assets/ Loss after tax		9,121.06		905.83		4.47		901.36

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 51: The List of subsidiary included in Consolidated Financial Statements is as under:

Name of the subsidiary company	Principal place of business	Proportion of direct ownership as on March 31, 2024	Proportion of direct ownership as on March 31, 2023
Bhagyalaxmi Dairy Farm Private Limited	India	100%	100%

Note 52 : Accounting ratio

Particulars	Numerator	Denominator	FY 2023-24	FY 2022-23	% of variation from previous Year
Current Ratio (in times)	Current assets	Current liabilities	1.86	1.92	(3%)
Debt - Equity Ratio (in times)	Total Debt	Total shareholders' equity	0.72	0.77	(7%)
Debt Service coverage ratio* (in times) 1	Earnings for Debts Service	Current debt	2.51	2.10	20%
Return on equity (in %) 2	PAT	Total average equity	10.7%	8.0%	34%
Inventory Turnover Ratio (in times)	Sales	Average inventory	5.28	5.50	(4%)
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	15.22	19.71	(23%)
Trade payables turnover ratio (in times)	Net Credit Purchase	Average trade payables	13.18	12.78	3%
Net capital turnover ratio (in times)	Revenue from operations	Working capital	5.19	5.35	(3%)
Net profit ratio (in %) 3	Net profit	Revenue	3%	2%	58%
Return on capital employed (in %) 4	PBIT	Capital employed	13.7%	11.0%	25%
Return on investment (in %)	Earning before interest, tax and exceptional items	Average total assets	9.1%	7.7%	19%

Explanation for variance exceeding 25% :

- 1 Debt Service coverage has increased due to increase in operating profit
- 2 Return on Equity has increased due to increase on PAT and issue of equity shares
- 3 Net profit ratio has increased due to increase in PAT
- 4 Return on capital employed has increased due to increase in Net profit

Note 53:

The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits received the President's assent on September 28, 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment has released the draft Rules for the Code on November 13, 2020 and has invited suggestions from the stakeholders. However, the date on which the Code/Rules will come to effect has not been notified.

The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2024

Note 54 :

The Group company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature is not enabled at the database level insofar as it relates to the accounting software. Further, no instance of audit trail feature being tampered with was noted in respect of the software where audit trail has been enabled.

Note 55 : Additional Regulatory Information (to the extent applicable and reportable)

- (a) Details of Capital work-in-progress (Refer note 4A)
- (b) The Group has borrowings from banks on the basis of security of current assets (Refer note 38A). The Group has filed monthly statements for financial year 2023-24 and 2022-23 with banks which are in agreement with the books of account.
- (c) Accounting ratios (Refer note 52)

Note 56 :

The Consolidated financial statements are approved for issue by the Audit Committee and the Board of Directors at their respective meetings held on May 18, 2024.

Note 57 :

Figures of the previous year have been regrouped wherever necessary.

Signatures to Notes 1 to 57

SHARP & TANNAN

Chartered Accountants
Firm's Registration No. 109982W
by the hand of

Edwin Paul Augustine

Partner
Membership No. 043385

Place: Mumbai
Date: May 18, 2024

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

Devendra Shah

Chairman
DIN: 01127319

Virendra Varma

Company Secretary & Compliance Officer
Membership No. F10520

Place: Mumbai
Date: May 18, 2024

Pritam Shah

Managing Director &
Interim Chief Financial Officer
DIN: 01127247



Ideas for a new day

Corporate Office

10th floor, Nirmal Building
Nariman Point, Mumbai - 400 021

CIN: L15204PN1992PLC070209



PARAG MILK FOODS LIMITED

CIN: L15204PN1992PLC070209

Regd. Office: Flat No.1, Plot No-19, Nav Rajasthan CHS. Shivaji Nagar, Pune – 411 016

Website: www.paragmilkfoods.com, Email: investors@parag.com

Tel. No.: 022 - 43005555, Fax No. 022 - 43005580

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Thirty Second Annual General Meeting** (AGM / Meeting) of the Members of Parag Milk Foods Limited (the Company) will be held on **Wednesday, September 11, 2024 at 11:00 A.M. (IST)** through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following businesses.

ORDINARY BUSINESS:

Item No. 1 - Adoption of Financial Statements

To receive, consider and adopt:

- the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2024 together with the reports of Board of Directors and the Auditors' thereon; and
- the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 together with the report of the Auditors' thereon.

Item No. 2 - Declaration of Dividend

To declare Dividend on equity shares at the rate of 5% i.e. ₹0.50/- per equity share for the financial year ended March 31, 2024.

Item No. 3 - Re-appointment of Mr. Nikhil Vora (DIN: 05014606) as a Director liable to retire by rotation

To appoint a Director in place of Mr. Nikhil Kishorechandra Vora (DIN: 05014606), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

Item No. 4 - Ratification of Remuneration to Cost Auditors for FY 2024-25

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) plus taxes as applicable and re-imburement of out of pocket expenses incurred in connection with the performance of their duties, to be paid to M/s. Harshad S. Deshpande & Associates, Cost Accountants (Firm Registration No.00378), who have been appointed by the Board of Directors as the Cost Auditors to conduct audit of cost records of the Company for the financial year ending March 31, 2025, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company (including any Committee thereof) and / or Company Secretary of the Company, be and are hereby severally authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

By the Order of **Board of Directors**
For **Parag Milk Foods Limited**

Devendra Shah
Chairman
DIN: 01127319

Place: Mumbai

Date: May 18, 2024

Registered Office Address: Flat No. 1, Plot No. 19,
Nav Rajasthan Co. Op. Hsg. Soc., Behind Ratna Memorial Hospital,
S.B. Road, Shivaji Nagar, Pune – 411016, Maharashtra.

NOTES:

1. The Ministry of Corporate Affairs (MCA) vide its General Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 20/2020 dated May 5, 2020 and subsequent circulars issued in this regard, the latest being 09/2023 dated September 25, 2023 (collectively referred to as 'MCA Circulars') has permitted the holding of the Annual General Meeting (AGM) through Video Conferencing (VC) / Other Audio Visual Means (OAVM), without the physical presence of the Members at a common venue. Further, the Securities and Exchange Board of India (SEBI) vide its circulars dated May 12, 2020 and subsequent circulars issued in this regard, the latest being October 7, 2023 (SEBI Circulars) has provided certain relaxations from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The registered office of the Company shall be deemed to be the venue for the AGM.
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (the Act), in respect of business to be transacted at the 32nd AGM, as set out under Item No. 4 above and the relevant details of the Director as mentioned under Item No. 4 above as required by Regulation 36(3) of the SEBI Listing Regulations and as required under Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, is annexed hereto.
3. The detailed procedure for participating in the meeting through VC/OAVM is annexed herewith and also available at the Company's website i.e. www.paragmilkfoods.com.
4. As the AGM is being conducted through VC / OAVM, the facility for appointment of Proxy by the Members is not available for this AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate thereat and cast their votes through e-voting.
5. Participation of Members through VC / OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Act.
6. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the Circulars issued by the MCA, latest being September 25, 2023, the Company is providing facility of remote e-Voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a Member using remote e-Voting system as well as e-voting on the date of the AGM will be provided by NSDL.
7. Corporates / Institutional Investors, who are Members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate Members / Institutional Investors (i.e. other than individuals, HUFs, NRIs etc.) who are intending to appoint their authorized representatives pursuant to Sections 112 and 113 of the Act, as the case may be, to attend the AGM through VC or OAVM and to vote through remote e-voting are requested to send a certified copy of the Board Resolution to the Scrutinizer by e-mail at bhaskar@nlba.in with a copy marked to evoting@nsdl.com and cs@parag.com. Corporate Members / Institutional Investors (i.e. other than individuals, HUFs, NRIs etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on the "Upload Board Resolution / Authority Letter" displayed under the "e-Voting" tab in their login
8. In case of joint holders attending the AGM, only such joint holder who is higher in the order of the names as per the Register of Members of the Company, as of the cut-off date, will be entitled to vote at the Meeting.
9. In terms of Section 152 of the Act, Mr. Nikhil Vora is liable to retire by rotation at this AGM and being eligible, offers himself for reappointment.
10. All the shareholding of the Members of the Company as on date of this Notice is in dematerialized form, hence, the requirement of complying with the procedure / disclosures with regards to physical shareholders are not applicable to the Company.
11. The Register of Directors and Key Managerial Personnel (KMP) and their shareholding, maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act and the other relevant documents referred to in the Notice of the AGM and explanatory statement shall be available for inspection during the AGM.
12. Relevant documents referred to in the accompanying Notice and the Explanatory Statement pursuant to Section 102 of the Act shall be available for inspection through electronic mode without any fee by the Members from the date of circulation of this Notice up to the date of AGM. Members are requested to write to the Company at cs@parag.com for inspection of the said documents.

ELECTRONIC DISPATCH OF ANNUAL REPORT AND PROCESS FOR REGISTRATION OF EMAIL ID FOR OBTAINING COPY OF ANNUAL REPORT:

13. In accordance with the MCA & the relevant SEBI Circulars, the Company is sending this AGM Notice along with the Annual Report for Financial Year (FY) 2023-24 in electronic form only to those Members whose email IDs are registered with the Company / Depositories. The Company shall send the physical copy of the Annual Report for FY 2023-24 only to those Members who specifically request for the same at investors@parag.com or cs@parag.com mentioning their Folio No./DP ID and Client ID.
14. The Notice of AGM along with Annual Report for the FY 2023-24, is available on the website of the Company at www.paragmilkfoods.com. The same can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
15. Members holding shares in dematerialized form are requested to intimate any changes pertaining to their name, address, registered email ID, bank details, NECS, mandates, nominations, power of attorney, etc. to their Depository Participant (DP). Changes intimated to the DP will be automatically reflected in the Company's records.
16. In case of joint holders attending the AGM, only such joint holder who is higher in the order of the names as per the Register of Members of the Company, as of the cut-off date, will be entitled to vote at the Meeting, provided the votes are not already cast by remote e-voting facility by first holder.
17. The Company has fixed Wednesday, September 4, 2024 (close of business hours) as the 'Cut-Off Date' / 'Record date' for determining:
 - i) Voting rights of Members with respect to AGM;
 - ii) Entitlement of Members to dividend for the financial year ended March 31, 2024;
 - iii) Attendance at the AGM; and
 - iv) Right to speak & ask queries at the AGM.
18. Pursuant to Section 91 of the Act, Register of Members and Share Transfer Books of the Company will remain closed from Thursday, September 5, 2024 to Wednesday, September 11, 2024 (both days inclusive) for the purpose of the AGM and payment of dividend.

DIVIDEND RELATED INFORMATION:

19. The Board of Directors of the Company at its meeting held on May 18, 2024 have, inter alia, approved and recommended payment of dividend of ₹0.50 (Fifty paise only) per equity share of the face value of ₹10 (Rupees ten only) each fully paid up for the financial year ended March 31, 2024 (dividend), subject to the approval of shareholders at the ensuing AGM.
20. Dividend for the financial year ended March 31, 2024, if approved by the Members at the ensuing AGM, will be paid on or after Thursday, September 12, 2024, to those members whose names appear in the Register of Members of the Company or Register of Beneficial Owners maintained by the Depositories as on the record date i.e. Wednesday, September 4, 2024.
21. Members holding shares in demat form are hereby informed that the bank particulars registered with Registrar & Share Transfer Agent (RTA) or their respective DP, as the case may be, will be considered by the Company for payment of dividend. Members are requested to update their Bank account details if not already registered, as mandated by the SEBI. Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details, in physical mode including through postal service(s).

The Company or its Registrar cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the Depository Participants of the Members. Members holding shares in demat form are requested to intimate any change in their address and / or bank mandate immediately to their Depository Participants. The Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant / bankers' cheque / demand draft to such Members.
22. The Company has fixed Wednesday, September 4, 2024 (close of business hours) as the "Record Date" for determining entitlement of Members to dividend for the financial year ended March 31, 2024.

TDS on Dividend

23. As per the Income Tax Act, 1961, dividends paid or distributed by the Company after April 1, 2020, shall be taxable in the hands of the shareholders and the Company shall be required to deduct tax at source (TDS) at the prescribed rates from the dividend to be paid to the shareholders, subject to requisite approvals. For the prescribed rates for various categories, please refer to the Finance Act, 2020 and the amendments thereof.

24. A separate email communication would be sent to the members after the date of this Notice informing the relevant procedure to be adopted by them /documents to be submitted for availing the applicable tax rate. The said communication and draft of the exemption forms and other documents are available on the Company's website at <https://www.paragmilkfoods.com/investors.php>.
25. In case tax on dividend is deducted at a higher rate in the absence of receipt of the aforementioned details / documents, you would still have the option of claiming refund of the excess tax paid at the time of filing your income tax return. No claim shall lie against the Company for such taxes deducted.

PROCEDURE TO RAISE QUESTIONS / SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT:

26. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker, by sending request along with their query in advance from their registered email address mentioning name, DP ID & Client ID and mobile no. by visiting the link <https://www.evoting.nsdl.com> or email at cs@parag.com on or before Monday, September 2, 2024. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
27. The Company will select the speakers on first come first serve basis. The Company reserves the right to restrict the number of questions & number of speakers depending on the availability of time for the AGM.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING ANNUAL GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Sunday, September 8, 2024 at 09:00 A.M. (IST) and ends on Tuesday, September 10, 2024 at 05:00 P.M. (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the closure of business hours on cut-off date i.e. Wednesday, September 4, 2024 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Wednesday, September 4, 2024.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:


Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode:

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<p>(a) Existing IDeAS user can visit the e-Services website of NSDL viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting.</p> <p>(b) If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</p>

Type of shareholders	Login Method
	<p>(c) Alternatively, you may directly visit the e-Voting website of NSDL by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen (16) digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting.</p> <p>(d) Shareholders / Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="564 741 858 920" style="text-align: center;"> <p>NSDL Mobile App is available on</p>  </div>
Individual Shareholders (holding securities in demat mode with Central Depository Services (India) Limited (CDSL))	<ol style="list-style-type: none"> Users who have opted for CDSL Easi / Easiest facility, can login through their existing user ID and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password. After successful login, the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-Voting is in progress as per the information provided by the Company. On clicking the e-Voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there are also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly. If the user is not registered for Easi / Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-Voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL / CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the Meeting.</p>

Important note: Members who are unable to retrieve User ID / Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cDSLindia.com or contact at toll free no. 1800 22 55 33

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder / Member' section.
3. A new screen will open. You will have to enter your User ID, your Password / OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-Services i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL e-Services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL)	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID. For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID. For example if your Beneficiary ID is 12***** then your user ID is 12*****.

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email IDs are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "**Forgot User Details / Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.com mentioning your demat account number / folio number, your PAN, your name and your registered address etc.

- c) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.
3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details / Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.

Step 2: Cast your vote electronically and join the Meeting on NSDL e-Voting system.

How to cast your vote electronically and join the Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and the Meeting is in active status.
2. Select “EVEN” of Company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC / OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify / modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. The Company has appointed Mr. Bhaskar Upadhyay from M/s. N.L. Bhatia & Associates, Practising Company Secretaries (FCS No. 8663 and CP No. 9625), to act as the Scrutinizer, to scrutinize the entire e-Voting process in a fair and transparent manner.
2. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bhaskar@nlba.in with a copy marked to evoting@nsdl.com and cs@parag.com. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “Upload Board Resolution / Authority Letter” displayed under “e-Voting” tab in their login.

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to Ms. Prajakta Pawale at evoting@nsdl.com.

Process for those shareholders whose email IDs are not registered with the depositories for procuring user ID and password and registration of email IDs for e-Voting for the resolutions set out in this notice:

- i. For shares held in Demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, Client Master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by sending request to evoting@nsdl.com for procuring user ID and password for e-voting. If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- ii. Alternatively shareholder / members may send a request to evoting@nsdl.com for procuring user id and password for e-voting by providing above mentioned documents.
- iii. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members / shareholders, who will be present in the AGM through VC / OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system at the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC / OAVM through the NSDL e-Voting system. Members may access by following steps mentioned above under the heading **Access to NSDL e-Voting system**. After successful login, you can see link of "VC / OAVM" placed under "**Join Meeting**" menu against Company name. You are requested to click on VC / OAVM link placed under Join Meeting menu. The link for VC / OAVM will be available in Shareholder / Member login where the EVEN of Company will be displayed. Please note that the members who do not have their User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio / Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. For convenience of the Members and proper conduct of AGM, Members can login and join at least 15 (Fifteen) minutes before the time scheduled for the AGM and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in this Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders

(Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairperson of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

OTHER INFORMATION

1. Pursuant to provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is maintaining an E-mail ID: investors@parag.com exclusively for quick redressal of members / investors grievances.
2. A statement pursuant to Section 102(1) of the Act, relating to the Special Business to be transacted at the AGM is annexed hereto.
3. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the Director seeking appointment / reappointment at the AGM, forms part of this Notice.
4. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF). In view of this, Members / Claimants are requested to claim their unpaid / unclaimed dividends from FY 2016-17 till date, on or before August 31, 2024. Further, the shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members / Claimants are requested to claim their dividends from the Company within the stipulated timeline. For details, please refer to Report on Corporate Governance, included in Annual Report for FY 2023-24. It may be noted that once such unclaimed dividends are transferred on expiry of seven years to the IEPF, no claim shall lie against the Company in respect thereof.
5. The results of the electronic voting shall be declared to the Stock Exchanges after the conclusion of AGM. The results along with the Scrutinizer's Report, shall also be placed on the website of the Company at www.paragmilkfoods.com.

By the Order of **Board of Directors**
For **Parag Milk Foods Limited**

Devendra Shah
Chairman
DIN: 01127319

Place: Mumbai
Date: May 18, 2024
Registered Office Address: Flat No. 1, Plot No. 19,
Nav Rajasthan Co. Op. Hsg. Soc., Behind Ratna Memorial Hospital,
S.B. Road, Shivaji Nagar, Pune – 411016, Maharashtra.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (The Act)

This Explanatory Statement is annexed to the Notice convening the 32nd Annual General Meeting to be held on Wednesday, September 11, 2024. The following Explanatory Statement sets out all the material facts relating to the Item No. 4, of the accompanying Notice dated May 18, 2024.

Item No. 4: Ratification of Remuneration to Cost Auditors

The Board in its Meeting held on May 18, 2024 on the recommendation of the Audit Committee, has approved the appointment of M/s. Harshad S. Deshpande & Associates, Cost Accountants as the Cost Auditors, to conduct the audit of cost record of the Company for the FY 2024-25 at a remuneration of ₹1,50,000/- (Rupees One Lakh Fifty Thousand Only) per annum plus taxes as applicable and re-reimbursement of out of pocket expenses, if any. M/s. Harshad S. Deshpande

& Associates, Cost Accountants, have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company and confirmed that they are not disqualified under the provisions of Section 148(5) of the Act.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, remuneration payable to the Cost Auditors has to be ratified by Members of the Company. Accordingly, the Members are requested to ratify the remuneration payable to Cost Auditors for financial year ending March 31, 2025, as set out in the Ordinary Resolution for the aforesaid services to be rendered by them.

The Board recommends resolution set forth in Item No. 4 for the approval of the Members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel or their relatives, is in any way concerned or interested financially or otherwise in the Resolution set out at Item No. 4 of this Notice.

By the Order of **Board of Directors**
For **Parag Milk Foods Limited**

Devendra Shah
Chairman
DIN: 01127319

Place: Mumbai

Date: May 18, 2024

Registered Office Address: Flat No. 1, Plot No. 19,

Nav Rajasthan Co. Op. Hsg. Soc., Behind Ratna Memorial Hospital,

S.B. Road, Shivaji Nagar, Pune – 411016, Maharashtra.

ANNEXURE 1***Brief resume of Director seeking Appointment / Re-appointment at the 32nd Annual General Meeting of the Company pursuant to Regulation 36(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards issued by the Institute of Company Secretaries of India***

Name of the Director	Mr. Nikhil Kishorechandra Vora
Director Identification Number	05014606
Date of birth	24/10/1971
Date of first appointment on the Board	20/08/2021
Relationship with Director and Key Managerial Personnel	N.A.
Qualification	A post-graduate in Management, Mr. Vora has also completed the Future Leaders Program at the said Business School, University of Oxford.
Nature of expertise in specific functional areas	<p>Mr. Nikhil Vora is the Founder and CEO of Sixth Sense Ventures with over 30 years of experience in financial markets and the consumer domain.</p> <p>In the Asia Money polls 2012, Mr. Nikhil was voted as India's Best Analyst. He also has the rare distinction of being voted Asia's Best Analyst by the Wall Street Journal in the same year. Along with advising clients, he also has been an active angel investor.</p> <p>Nikhil Vora-led Sixth Sense Ventures has generated one of the highest returns on an investment by a venture capital firm in India in several years.</p>
Number of Equity Shares held in the Company as on March 31, 2024	3,10,700 shares
Directorship held in other Listed Companies	Bikaji Foods International Limited Hindustan Foods Limited
Number of Board Meetings attended of the Company	4
Chairmanship / Membership of Committees of other Boards as on March 31, 2024	Bikaji Foods International Limited- Audit Committee (Member)
Terms and conditions of appointment and reappointment	<p>As per Nomination and Remuneration Policy of the Company as displayed on the Company's website at www.paragmilkfoods.com.</p> <p>He is a Non-Executive Director liable to retire by rotation.</p>