



Ideas for a new day

June 30, 2022

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

Dear Sir/Madam

**SUBJECT: AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FINANCIAL YEAR ENDED MARCH 31, 2022**

The Board of Directors of the Company at its Meeting held on June 30, 2022 has inter alia, considered and approved the Audited Standalone and Consolidated Financial Results for the Quarter and Financial Year ended March 31, 2022.

Accordingly, pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") please find enclosed herewith the following:

- Audited Standalone and Consolidated Financial Results of the Company for Quarter and Financial Year ended March 31, 2022 and
- In terms of the provisions of Regulation 33(3)(d) of the Listing Regulations, we hereby declare that the M/s. Sharp & Tannan, Chartered Accountants (Firm Registration No. 109982W) Statutory Auditors of the Company have issued an Audit Report with Unmodified Opinion on the Audited Standalone and Consolidated Financial Results of the Company for the quarter and financial year ended on March 31, 2022.
- Press Release with regard to the Audited Financial Results of the Company for the Quarter and Financial Year ended March 31, 2022.

You are requested to kindly take the same on record.

For **PARAG MILK FOODS LIMITED**

  
Pritam Shah  
Managing Director  
DIN: 01127247



Encl: As above.

**Parag Milk Foods Ltd.,**

CIN-L15204PN1992PLC070209

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

**Corporate Office:** 10<sup>th</sup> floor, Nirmal building, Nariman point, Mumbai - 400021 Tel.: 022-43005555 Fax: 022-43005580

**Website:** [www.paragmilkfoods.com](http://www.paragmilkfoods.com) | **email:** [investors@parag.com](mailto:investors@parag.com)





Press Release

For Immediate Release

## Parag Milk Foods FY22 results FY22 :- Total Revenue of Rs. 20,718 Mn grew by 12.5%

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**Mumbai, 30<sup>th</sup> June 2022** : Parag Milk Foods Limited, a leading manufacturer and marketer of dairy-based branded products in India announced its audited financial results for the year ended March 31, 2022

### **Business Outlook :**

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We have seen a continued buoyancy in the demand-led by the opening up of the economy in the phased manner post-COVID 19 waves. Ecommerce has emerged as a fast-growing leg gaining strong prominence in the overall distribution. Our brand-centric approach enabled us to emerge stronger and more agile post the Pandemic. HORECA and out-of-home consumption has witnessed a slow comeback.

**Future Outlook:** As innovation is our strength, we will continue to introduce product across price points catering to all strata of consumers providing them healthy, nutritious and quality dairy products. We have always remained committed to growth and will continue to focus on our core categories of ghee, cheese, paneer and curd. We will continue to strengthen our new age business- Pride of Cows and Avvatar.

**Ecommerce:** Our E-commerce business has grown 3x in the last fiscal, and we have seen demand picking up across segments and categories at an accelerated pace. It is one of the crucial pillar for our distribution strategy as it helps us broaden our reach to the markets with lower incremental advertising spend. This distribution platform gives us higher visibility to capture market share.

**HORECA:** HORECA is making a come back in spite of taking the highest hit in sales during the pandemic. Our growth in this segment in FY22 has crossed pre COVID levels.

**Export:** Our export sales has contributed 1.5% to the overall revenues. Our products received good recognition in key markets of Middle East, South East Asia, Africa and Indian subcontinents .

**Procurement:** For FY22, our milk procurement prices have increased by 8.7%. In line with the commodity prices, we have also seen the prices of milk increasing continuously. We have passed on this increased raw material pricing by hiking the prices for our products and the same have been absorbed by the markets. This reflects the strength of our brands.

**New launches:** We are continuing to introduce products across price points for our fast-moving beverage segments. During the quarter we have added mango milkshake and mango lassi in our portfolio. With this new launch now our beverages portfolio of Go milkshake has five flavours namely Vanilla, Coffee, Chocolate, Strawberry and Mango. Also, a first in the



category of affordable whey we have launched our whey based drink – RAPID at the price point of INR 10/- in two flavours lemon and orange which comes in 125 ml pack. This is backed by a complete new line of infrastructure to establish larger footprint. The initial consumer response have been very encouraging.

**New Leadership Appointment :** The company along with the Board of Directors has decided to appoint Ms. Akshali Shah as Executive Director. She has been associated with the company for over a decade and has been instrumental in growing the new high value segments of Parag Milk Foods Limited. The company looks forward for renewed zeal and enthusiasm from the new leadership. As a part of further developing and enhancing the management strength we would be appointing Chief Executive Officer (CEO) and Chief Financial Officer (CFO) shortly.

### **Performance Highlights for FY22**

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- Consolidated Revenue from Operations for FY22 stood at 20,718 mn reporting a growth of 12.5% as compared to Rs. 18,418 mn in FY21, driven by improvement in core categories which reported 20% growth. Further, improvement in distribution coupled with buoyancy in the overall demand aided in performance.
- The share of value added Products for FY22 is 68% of total revenue, while that of liquid milk was 9.5% and the same for Skimmed Milk Powder was 19%.
- The company reported a loss of 5,325 million, due to one time write down of 5,095 mn.

### **Reasons for write down of inventory :**

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Over the last three decades, Parag Milk Foods have built a very strong goodwill and relationships with the farmers as they are the key stakeholders and hold important position in the dairy value chain. During a COVID pandemic which we thought will last only for shorter period, we had to support the farmers and their families during these tough times. We accordingly forecasted the sales and change the product mix skewed towards high value products that will help us sustain the business on a longer-term basis. We collected every drop of milk that arrived at our factory door in a view to support these farmers. We planned, produced and built inventory with a view to capture the market share.

Our anticipation on selling these value-added products produced from excess milk procurement unfortunately got disrupted due to frequent lockdowns and various health department guidelines that affected the continuity of the business with HORECA and large institutions who curtailed their business for strategic reasons. Not only the forecasted growth in the sales not materialized but also it resulted in non movement of stocks and built up of perishable inventory in the supply chain.

Since the company primarily produce perishable products which are governed and regulated by strict production and storage norms notified by FSSAI, the company had to mandatorily write down its inventory to comply its guidelines and company policies.



There was also change in the government policy with respects to infant food due to which the company could not supply the stock of whey protein the main ingredient in the infant food formula to the end consumers. We also had to write off the inventory that was built for this segment.

Further, as an additional precautionary measure, the samples were sent to appropriate authorities like NABL approved labs. The company also appointed an independent accounting firm to evaluate the quantity and the value of the inventory.

In addition, we received a notification which fixed the base selling price of milk procurement from farmers so that their livelihood is protected. This resulted in an increase in our cost of raw material procurement prices as evidenced by the Price Settlement Agreement entered into with the milk aggregators. The impact of the above on the financials is INR 1,179 Mn which was adjusted against milk advances and cost of raw material consumed.

Due to all these consequential impacts of the above the write down of inventories to the net realizable value during the year amounted to INR 5,095 mn. This is a one-time hit that the company has taken due to the Covid led uncertain situations that we faced.

In spite of all the above said set back there is no uncertainty in meeting the financial obligation over the foreseeable future. These items are one time balance sheet items pertaining to prior period and therefore will have no material impact on the ongoing operations of the business.

### **Performance across Key Categories:**

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We have witnessed growth in our core categories and new age business despite bearing the brunt of Covid led lockdowns and restrictions.

**Core categories :** In our flagship brand Gowardhan Ghee, we continue to enjoy the leadership position in cow ghee category in key markets. The brand has witnessed continuous traction throughout the year and has posted a growth of 7% in FY22. This momentum is likely to sustain ahead as well.

To entice and create brand recall & awareness in our young and techno-savvy consumers, we have strategically placed our Go Cheese communication on digital platforms for which we have received tremendous response. For the year, the cheese category continues to have the dominant position in the market and has grown at 9.7%.

**Sports Nutrition:** Our Sports nutrition brand Avvatar has seen strong acceptance across channels, especially in the digital world. The brand has grown three times in FY22 and now contributes 1.3% to revenue. We remain optimistic for this category and will continue to strengthen and invest in this brand in future.



**About Parag Milk Foods Ltd:**

Parag Milk Foods Limited, established in 1992, is the largest private dairy FMCG Company with a Pan India presence. We have our manufacturing facilities with in-house technology which are strategically located at Manchar in Maharashtra, Palamaner in Andhra Pradesh, and Sonipat in Haryana. We sell 100% cow's milk products that are healthy and nutritious. Our integrated business model and strong R&D capabilities have helped us emerge as the leader in innovation. Our dairy farm, Bhagyalaxmi Dairy Farm Limited house more than 2,500 cows, with a mechanized milking process. Under brand "Gowardhan", we offer traditional products like Ghee, Dahi, Paneer, etc. Under the brand name "Go" we offer products like cheese, UHT milk, buttermilk, lassi, yoghurt etc.

"Pride of Cows", the flagship brand of Parag Milk Foods was introduced with a proposition of Farm to Home concept targeted towards customers seeking premium quality dairy products. The Company has also ventured into the B2C segment for Whey Protein with the brand Avvatar - India's 1st 100% vegetarian whey protein, first of its kind manufactured in India. Our goal is to become the largest dairy FMCG Company that emphasizes health and nutrition to consumers through innovation

**Contact Details**

Company: Parag Milk Foods	Investor Relations: Orient Capital
	
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**Safe Harbor**

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

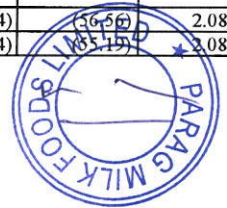


**Parag Milk Foods Limited**

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

CIN:L15204PN1992PLC070209, Website: www.paragmilkfoods.com, Email id: investors@parag.com  
**Statement of Standalone Financial Results for the quarter and year ended 31st March, 2022**

Particulars	(Rs in Million) (except per share data)				
	Quarter ended			Year ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited (Refer Note 5)	Unaudited	Audited (Refer Note 5)	Audited	Audited
<b>1. Revenue from operations</b>	5,524.50	5,273.32	4,222.23	20,256.07	17,917.35
<b>2. Other income</b>	56.89	12.85	43.69	89.61	68.24
<b>3. Total Income</b>	<b>5,581.39</b>	<b>5,286.17</b>	<b>4,265.92</b>	<b>20,345.68</b>	<b>17,985.59</b>
<b>4. Expenses</b>					
(a) Cost of materials consumed	5,932.28	3,857.97	3,378.33	18,279.65	13,006.14
(b) Purchase of Stock-in-trade	-	-	293.95	82.40	975.31
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,127.97	(38.40)	(429.85)	2,223.37	(580.76)
(d) Employee benefits expense	194.74	190.47	185.55	773.40	753.27
(e) Finance costs	122.43	127.10	120.46	470.36	455.18
(f) Depreciation and amortisation expense	133.86	128.30	118.13	509.53	493.76
(g) Other expenses	1,093.63	735.25	601.62	3,184.29	2,496.02
<b>Total Expenses</b>	<b>11,604.91</b>	<b>5,000.69</b>	<b>4,268.19</b>	<b>25,523.00</b>	<b>17,598.92</b>
<b>5. Profit / (loss) before tax (3-4)</b>	<b>(6,023.52)</b>	<b>285.48</b>	<b>(2.27)</b>	<b>(5,177.32)</b>	<b>386.67</b>
<b>6. Tax expense</b>					
(i) Current tax	(168.09)	80.91	(42.72)	-	61.12
(ii) MAT (Credit) / Utilised	-	-	16.28	-	-
(iii) Deferred tax	25.63	(8.69)	64.61	79.16	70.41
(iv) Tax adjustment, in respect of earlier years	35.07	-	80.60	35.07	80.60
<b>7. Profit / (loss) for the period/year after tax (5-6)</b>	<b>(5,916.12)</b>	<b>213.26</b>	<b>(121.04)</b>	<b>(5,291.55)</b>	<b>174.54</b>
<b>8. Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss					
(i) Re-measurements (loss)/gain of the defined benefit plans	1.00	1.91	8.44	6.72	7.63
(ii) Income tax on above	(0.25)	(0.48)	(2.20)	(1.69)	(1.92)
<b>9. Total Comprehensive Income/ (Expense) for the period/year (7+8) Comprising Profit/ (Loss) and Other Comprehensive Income/ (Expense) for the period/year</b>	<b>(5,915.37)</b>	<b>214.69</b>	<b>(114.80)</b>	<b>(5,286.52)</b>	<b>180.25</b>
Paid-up equity share capital (Face Value of Rs. 10 each)	952.00	952.00	839.39	952.00	839.39
Other Equity				4,538.94	8,358.74
<b>10. Earnings Per Equity Share (of Rs 10 each) (not annualised)</b>					
(a) Basic (Rs)	(62.14)	2.24	(1.44)	(56.56)	2.08
(b) Diluted (Rs)	(60.45)	2.18	(1.44)	(55.15)	2.08



**Notes on Standalone Financials Results:**

1 The Standalone Audited Financial Results (the 'Statement') for the quarter and year ended 31st March, 2022 of **Parag Milk Foods Limited** (the 'Company') have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their meeting held on 30th June, 2022 and are available on the Company's website - <https://www.paragmilkfoods.com> and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)). Audit under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) has been carried out by the statutory auditors. Auditor's report does not contain any observation which would have an impact on the above standalone financial results.

2 Based on its ongoing assessment, the Company identified certain unpredictable and unforeseeable cumulative material impacts of the continuing COVID-19 pandemic (in its various intensity since its manifestation in financial year 2020-21) consequences on its current year's performance.

The Company has evaluated the repercussion of COVID-19 on the carrying value of inventories, trade receivable, and loans & advances basis the internal and external sources of information and determined, that the carrying values of inventories and loans & advances need written down / provisions over and above the normal requirement in the quarter-end March 2022/year-end standalone financial results.

The Company in order to maintain its goodwill and relationships with the farmers consciously continued to procure all the of milk that the farmers supplied at its plants. The Company's forecast for selling the value-added products produced from the excess milk, unfortunately, got disrupted due to frequent lockdowns that affected the supplies to HORECA, (Hotels, Restaurants, and Catering) large institutions, and corporate buyers (B2B sales portfolio) as they strategically curtailed their business operations for survival. Since, the Company primarily produces/ manufactures products which are perishable in nature, and are governed and regulated by strict production and storage norms notified by FSSAI, the Company had to mandatorily write-down the inventories lying with it.

There was also a sudden change in the Government's Policies with respect to infant food due to which the Company could not supply the stocks of Whey Protein, the main ingredient in the infant food formula to the relevant players. The Company had an inventory of this product that was not moving for a few months and the same had to be written-off. Further, the Company sent samples to NABL-approved lab and also appointed an independent accounting firm to evaluate the quantity and the value of the inventories requiring write down as an additional precautionary measure.

In addition, the Government issued a Notification which fixed the base selling price of milk procurement from farmers so that their livelihood is protected. This resulted in an increase in our cost of material procurement prices as evidenced by the Price Settlement Agreement entered into with the milk aggregators. The impact of the above on the financials is ₹ 1179.84 Million, which was adjusted against milk advances and cost of materials consumed.

Due to the consequential impact of the above, the write-off of inventories to net realisable value as at 31st March, 2022 amounted to ₹ 5095.46 Million; (Previous year 2020- 21: ₹ Nil). The write-down is included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.

In spite of the Company having to record an one-time write-off & provisions consequent to the pandemic situation and change in law, the Company envisages no material uncertainty in meeting the financial obligations over the foreseeable future

3 The Income Tax Department (the 'Department') conducted a search (the 'Search') under Section 132 of the Income Tax Act, 1961, on the Company and its subsidiary at certain premises/locations in the month of November 2021. The Company has received a *Panchanama* dated 27th November, 2021. Other than the above, the Company has not received any communication in this regard.

4 The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits received the President's assent on 28th September, 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment has released the draft Rules for the Code on 13th November, 2020 and has invited suggestions from the stakeholders. However, the date on which the Code/Rules will come to effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

5 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and year-to-date figures up to the third quarter of the financial year which were subjected to limited review.

6 Figures for the previous period/year have been regrouped wherever necessary.

Place: Mumbai  
Date: 30th June, 2022



**Pritam Shah**  
Managing Director  
DIN No. 01127247

*Shangam*





## Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital,  
Pune, Shivaji Nagar, Pin- 411016, Maharashtra, India

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### Standalone Statement of Assets and Liabilities

(Rs in Million)

S. No	Particulars	As at 31-Mar-2022 Audited	As at 31-Mar-2021 Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non Current Assets</b>		
	(a) Property, plant and equipment	3,495.31	3,787.68
	(b) Capital work-in-progress	28.38	9.34
	(c) Other intangible assets	3.87	19.27
	(d) Financial assets		
	(i) Investments	622.64	630.84
	(ii) Other financial assets	104.08	120.71
	(e) Deferred tax assets (net)	-	54.19
	(f) Non current tax assets (net)	106.58	
	(g) Other non-current assets	43.63	23.66
	<b>Total Non-Current Assets</b>	<b>4,404.49</b>	<b>4,645.69</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	4,681.54	6,873.32
	(b) Financial assets		
	(i) Trade receivables	1,197.20	1,559.15
	(ii) Cash and cash equivalents	792.54	65.34
	(iii) Bank balances other than (ii) above	43.32	117.06
	(c) Other current assets	2,088.02	3,120.36
	(d) Current tax assets (net)	-	1.33
	<b>Total Current Assets</b>	<b>8,802.62</b>	<b>11,736.56</b>
	<b>Total Assets</b>	<b>13,207.11</b>	<b>16,382.25</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity share capital	952.00	839.39
	(b) Other equity	4,538.93	8,358.74
	<b>Total Equity</b>	<b>5,490.93</b>	<b>9,198.13</b>
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	2,305.81	208.63
	(ii) Other financial liabilities	111.06	84.04
	(b) Provisions	25.18	40.04
	(c) Deferred tax liabilities (net)	26.66	
	<b>Total Non-Current Liabilities</b>	<b>2,468.71</b>	<b>332.71</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	2,414.34	3,427.78
	(ii) Trade payables		
	(a) Due to micro and small enterprises	8.77	8.97
	(b) Due to creditors other than micro and small enterprises	2,072.09	2,879.10
	(iii) Other financial liabilities	281.63	294.55
	(iv) Lease liabilities	51.54	25.71
	(b) Other current liabilities	414.94	210.86
	(c) Provisions	4.16	4.44
	<b>Total Current Liabilities</b>	<b>5,247.47</b>	<b>6,851.41</b>
	<b>Total Liabilities</b>	<b>7,716.18</b>	<b>7,184.12</b>
	<b>Total Equity and Liabilities</b>	<b>13,207.11</b>	<b>16,382.25</b>







**Parag Milk Foods Limited**

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**Standalone Statement of Cash Flows for the year ended 31st March 2022**

(Rs in Million)

Particulars	Year ended 31-Mar- Audited	Year ended 31-Mar- Audited
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit/ (Loss) before tax</b>	<b>(5,177.32)</b>	<b>386.67</b>
Depreciation and amortisation expense	509.53	493.76
Provision for doubtful debts and advances (net of recoveries/reversals)	224.00	126.89
Net (gain) / loss on sale/ fair valuation of investments	0.50	(6.07)
ESOS expense	(7.29)	(0.98)
Finance costs	470.36	455.18
Sundry balances written back	(19.92)	(24.78)
Profit on sale of Property, plant and equipment (net)	(0.11)	-
Interest income	(43.53)	(20.46)
<b>Operating profit before working capital changes</b>	<b>(4,043.78)</b>	<b>1,410.21</b>
<b>Adjustments for :</b>		
(Increase) / decrease in inventories	2,191.78	(605.05)
(Increase)/decrease in trade and other receivables	1,228.11	302.75
(Decrease) / increase in trade and other payables	(688.70)	111.53
Increase / (decrease) in provisions	(8.42)	4.53
<b>Cash generated from operations</b>	<b>(1,321.01)</b>	<b>1,223.97</b>
Taxes paid (net of refunds)	(140.32)	(219.89)
<b>Net cash flows from operating activities</b>	<b>(1,461.33)</b>	<b>1,004.08</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, plant and equipment	(207.55)	(296.45)
Purchase of intangible assets	(1.10)	(8.85)
Sale of Property, plant and equipment	0.12	
Maturity / (Investment) of fixed deposits	69.56	(63.24)
Investment in mutual funds	8.20	(2.68)
Interest received	14.77	27.94
<b>Net cash flows used in investing activities</b>	<b>(116.00)</b>	<b>(343.28)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from long-term borrowings	-	-
Proceeds from issue of shares (net of issue expenses)	-	-
Proceeds from issue of shares (net of issue expenses)	1,634.30	-
Proceeds / (repayment) short-term borrowings (net)	(1,013.44)	(41.50)
Repayment of long term borrowings	2,167.74	(268.41)
Payment of dividend including dividend distribution tax	(47.69)	(42.06)
Interest paid	(436.38)	(456.64)
<b>Net cash flows from/ (used in) financing activities</b>	<b>2,304.53</b>	<b>(808.61)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>727.20</b>	<b>(147.81)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>65.34</b>	<b>213.15</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>792.54</b>	<b>65.34</b>





# SHARP & TANNAN

Chartered Accountants

Firm's Registration No. 109982W

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Parag Milk Foods Limited

Report on the Audit of the Standalone Financial Results

### Opinion

We have audited the accompanying Standalone Annual Financial Results of **Parag Milk Foods Limited** (the 'Company') for the year ended 31st March, 2022 (the 'Statement'), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Statement:

- i. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India, of net loss and other comprehensive expense and other financial information for the year ended 31st March, 2022.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial results under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 2 to the accompanying Statement which states the management's evaluation of the financial impact on the Company due to lockdown and other restrictions on account of covid-19 pandemic situation. Consequent to the assessment by the management, the inventories has been written-down by Rs. 5095.46 million. In addition to the above, the Company has concluded the negotiations with the milk aggregators and based on the Price Settlement Agreement with them, has adjusted the advances amounting to Rs. 1179.84 million.

We draw attention to Note 3 to the accompanying Statement relating to the search carried out under Section 132 of the Income Tax Act, 1961 in the month of November, 2021 concerning the Company and its subsidiary at certain premises/locations. The Company has received a 'Panchanama' dated 27th November, 2021. As explained to us, other than

the above, there was no communication received from the Income Tax Department, till the date of reporting.

Our opinion is not modified in respect of these matters.

#### **Board of Director's Responsibilities for the Standalone Financial Results**

The Statement has been prepared on the basis of the standalone annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of this Statement that give a true and fair view of the net loss and other comprehensive expense and other financial information of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Results**

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 this Statement.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the standalone financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

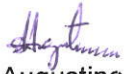
#### Other Matter

The Statement include the results for the quarter ended 31st March, 2022 being the balancing figure between audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.



Mumbai, 30th June, 2022

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

  
Edwin P. Augustine  
Partner

Membership No. 043385  
UDIN: 22043385A\ZILS9433



## Parag Milk Foods Limited

Registered Office: Flat No 1, Plot No 19, Nav Rajasthan Housing Society, Behind Ratna Memorial Hospital,  
Shivaii Nagar. Pune - 411 016. Maharashtra. India

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

### Statement of Consolidated Financial Results for the quarter and year ended 31st March, 2022

(Rs in Million) (except per share data)

Particulars	Quarter ended			Year ended	
	31-Mar-22	31-Dec-21	31-Mar-21	31-Mar-22	31-Mar-21
	Audited (Refer Note 6)	Unaudited	Audited (Refer Note 6)	Audited	Audited
<b>1. Revenue from operations</b>	5,622.74	5,387.11	4,343.46	20,717.54	18,417.63
<b>2. Other income</b>	104.80	35.16	68.20	210.40	135.09
<b>3. Total Income</b>	<b>5,727.54</b>	<b>5,422.27</b>	<b>4,411.66</b>	<b>20,927.94</b>	<b>18,552.72</b>
<b>4. Expenses</b>					
(a) Cost of materials consumed	5,960.25	3,916.78	3,431.25	18,498.75	13,235.23
(b) Purchase of Stock-in-trade	-	-	293.95	82.40	975.31
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	4,127.25	(37.21)	(430.24)	2,223.95	(591.43)
(d) Employee benefits expense	215.41	208.59	191.96	836.63	781.97
(e) Finance costs	133.33	137.12	121.38	509.59	457.74
(f) Depreciation and amortisation expense	141.53	135.29	124.46	537.66	517.98
(g) Other expenses	1,173.64	808.25	672.19	3,459.50	2,768.68
<b>Total Expenses</b>	<b>11,751.41</b>	<b>5,168.82</b>	<b>4,404.95</b>	<b>26,148.48</b>	<b>18,145.48</b>
<b>5. Profit/ (Loss) before tax (3-4)</b>	<b>(6,023.87)</b>	<b>253.45</b>	<b>6.71</b>	<b>(5,220.54)</b>	<b>407.24</b>
<b>6. Tax expense</b>					
(i) Current tax	(168.09)	80.91	(47.76)		61.12
(ii) MAT (Credit) / Utilised			16.28	-	0.00
(iii) Deferred tax	27.02	(17.61)	59.04	69.34	63.50
(iv) Tax adjustment, in respect of earlier years	35.07		75.57	35.07	75.57
<b>7. Profit / (loss) for the period/year after tax (5-6)</b>	<b>(5,917.87)</b>	<b>190.15</b>	<b>(96.42)</b>	<b>(5,324.95)</b>	<b>207.05</b>
<b>8. Other Comprehensive Income</b>					
Items that will not be reclassified to profit or loss					
(i) Re-measurements (loss)/gain of the defined benefit plans	0.19	1.94	8.59	6.00	7.75
(ii) Income tax on above	(0.03)	(0.48)	(2.24)	(1.49)	(1.95)
<b>9. Total Comprehensive Income/ (Expense) for the period/year (7+8) Comprising Profit/(Loss) and Other Comprehensive Income/ (Expense) for the period/year</b>	<b>(5,917.71)</b>	<b>191.61</b>	<b>(90.08)</b>	<b>(5,320.44)</b>	<b>212.85</b>
Paid-up equity share capital (Face Value of Rs. 10 each)	952.00	952.00	839.39	952.00	839.39
Other Equity				4,588.29	8,442.03
<b>10. Earnings Per Equity Share (of Rs 10 each) (not annualised)</b>					
(a) Basic (Rs)	(62.16)	2.00	(1.15)	(56.91)	2.47
(b) Diluted (Rs)	(60.46)	1.94	(1.15)	(55.54)	2.46



### Notes on Consolidated Financials Results :

- 1 The Consolidated Audited Financial Results (the 'Statement') for the quarter and year ended 31st March, 2022 of **Parag Milk Foods Limited** (the 'Company') and its subsidiary, Bhagyalaxmi Dairy Farms Private Limited (hereinafter together known as Group), have been reviewed by the Audit Committee and thereafter approved and taken on record by the Board of Directors in their meeting held on 30th June, 2022 and are available on the Company's website - <https://www.paragmilkfoods.com> and on the websites of BSE ([www.bseindia.com](http://www.bseindia.com)) and NSE ([www.nseindia.com](http://www.nseindia.com)). Audit under Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, has been carried out by the statutory auditors. Auditor's report does not contain any observation which would have an impact on the above consolidated financial results.
- 2 The above results comprise the results of Parag Milk Foods Limited (The Parent Company) and one subsidiary company, Bhagyalaxmi Dairy Farms Private Limited.
- 3 Based on its ongoing assessment, the Group identified certain unpredictable and unforeseeable cumulative material impacts of the continuing COVID-19 pandemic (in its various intensity since its manifestation in FY2020-21) consequences on its current year's performance.  
  
The Group has evaluated the repercussion of COVID-19 on the carrying value of inventories, trade receivable, and loans & advances basis the internal and external sources of information and determined, that the carrying values of inventories and loans & advances need written-down / provisions over and above the normal requirement in the quarter-end March 2022/year-end consolidated financial results.  
  
The Parent Company in order to maintain its goodwill and relationships with the farmers consciously continued to procure all the of milk that the farmers supplied at its plants. The Parent Company's forecast for selling the value-added products produced from the excess milk, unfortunately, got disrupted due to frequent lockdowns that affected the supplies to HORECA, (Hotels, Restaurants, and Catering) large institutions, and corporate buyers (B2B sales portfolio) as they strategically curtailed their business operations for survival. Since, the Parent Company primarily produces/ manufactures products which are perishable in nature, and are governed and regulated by strict production and storage norms notified by FSAAI, the Parent Company had to mandatorily write-down the inventories lying with it.  
  
There was also a sudden change in the Government's Policies with respect to infant food due to which the company could not supply the stocks of Whey Protein, the main ingredient in the infant food formula to the relevant players. The Parent Company had an inventory of this product that was not moving for a few months and the same had to be written-off. Further, the Parent Company sent samples to NABL-approved lab and also appointed an independent accounting firm to evaluate the quantity and the value of the inventories requiring write-down as an additional precautionary measure.  
  
In addition, the Government issued a Notification which fixed the base selling price of milk procurement from farmers so that their livelihood is protected. This resulted in an increase in our cost of materials procurement prices as evidenced by the Price Settlement Agreement entered into with the milk aggregators. The impact of the above on the financials is ₹ 1179.84 Million, which was adjusted against milk advances and cost of materials consumed.  
  
Due to the consequential impact of the above, the write-off of inventories to net realisable value as at 31st March, 2022 amounted to ₹ 5095.46 Million; (Previous year 2020- 21: ₹ Nil). The write-down is included in cost of materials consumed or changes in inventories of finished goods and work-in-progress.  
  
In spite of the Company having to record an one-time write-off & provisions consequent to the pandemic situation and change in law, the Company envisages no material uncertainty in meeting the financial obligations over the foreseeable future.
- 4 The Income Tax Department (the 'Department') conducted a search (the 'Search') under Section 132 of the Income Tax Act, 1961 on the Company and its subsidiary at certain premises/locations in the month of November 2021. The Company has received a *Panchanama* dated 27th November, 2021. Other than the above, the Company has not received any communication in this regard.
- 5 The Code on Social Security, 2020 (the 'Code') relating to employee benefits during employment and post-employment benefits received the President's assent on 28th September, 2020. The Code has been published in the Gazette of India. The Ministry of Labour and Employment has released the draft Rules for the Code on 13th November, 2020 and has invited suggestions from the stakeholders. However, the date on which the Code/Rules will come to effect has not been notified.  
The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 6 The figures of the last quarter are the balancing figures between the audited figures in respect of the full financial year and year-to-date figures up to the third quarter of the financial year which were subjected to limited review.
- 7 Figures for the previous period/year have been regrouped wherever necessary.

*Shang & Tamara*

Place: Mumbai  
Date: 30th June, 2022

  
Pritam Shah  
Managing Director  
DIN No. 01127247





## Parag Milk Foods Limited

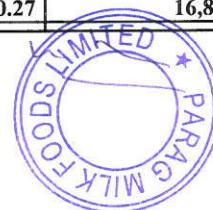
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CIN:L15204PN1992PLC070209, Website: www.paragmilkfoods.com, Email id: investors@parag.com

### Consolidated Statement of Assets and Liabilities

(Rs in Million)

S. No	Particulars	As at 31-Mar-2022 Audited	As at 31-Mar-2021 Audited
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Non Current Assets</b>		
	(a) Property, plant and equipment	4,082.73	4,310.61
	(b) Capital work-in-progress	95.96	30.50
	(c) Other intangible assets	3.88	19.43
	(d) Biological assets other than bearer plants	505.50	402.60
	(e) Financial assets		
	(i) Investments	0.00	8.20
	(ii) Loans	8.17	4.36
	(iii) Other financial assets	104.21	120.83
	(f) Deferred tax assets (net)	0.00	30.86
	(g) Non current tax assets (net)	106.58	
	(h) Other non-current assets	68.52	39.21
	<b>Total Non-Current Assets</b>	<b>4,975.55</b>	<b>4,966.60</b>
<b>2</b>	<b>Current Assets</b>		
	(a) Inventories	4,787.35	6,947.85
	(b) Financial assets		
	(i) Trade receivables	1,253.07	1,589.48
	(ii) Cash and cash equivalents	796.73	69.45
	(iii) Bank balances other than (ii) above	43.32	117.06
	(c) Other current assets	2,094.25	3,134.85
	<b>Total Current Assets</b>	<b>8,974.72</b>	<b>11,858.69</b>
	<b>Total Assets</b>	<b>13,950.27</b>	<b>16,825.29</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
<b>1</b>	<b>Equity</b>		
	(a) Equity share capital	952.00	839.39
	(b) Other equity	4,588.29	8,442.03
	<b>Total Equity</b>	<b>5,540.29</b>	<b>9,281.42</b>
<b>2</b>	<b>Non-Current Liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	2,596.30	333.19
	(ii) Other financial liabilities	112.29	85.92
	(b) Provisions	28.31	42.00
	(c) Deferred tax liabilities (net)	39.97	0.00
	<b>Total Non-Current Liabilities</b>	<b>2,776.87</b>	<b>461.11</b>
<b>3</b>	<b>Current Liabilities</b>		
	(a) Financial liabilities		
	(i) Borrowings	2,580.51	3,477.42
	(ii) Trade payables		
	(a) Due to micro and small enterprises	8.77	8.97
	(b) Due to creditors other than micro and small enterprises	2,249.82	3,032.33
	(iii) Other financial liabilities	298.87	300.79
	(iv) Lease liabilities	52.19	26.21
	(b) Other current liabilities	436.47	231.19
	(c) Provisions	4.75	4.78
	(d) Current tax liabilities (net)	1.73	1.07
	<b>Total Current Liabilities</b>	<b>5,633.11</b>	<b>7,082.76</b>
	<b>Total Liabilities</b>	<b>8,409.98</b>	<b>7,543.87</b>
	<b>Total Equity and Liabilities</b>	<b>13,950.27</b>	<b>16,825.29</b>





## Parag Milk Foods Limited

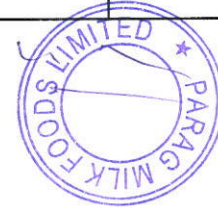
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### Statement of Consolidated Cash Flows for the year ended 31st March 2022

(Rs in Million)

Particulars	Year ended 31-Mar- २०२२ Audited	Year ended 31-Mar- २०२१ Audited
<b>A. Cash Flows from Operating Activities</b>		
<b>Profit/ (Loss) before tax</b>	<b>(5,220.54)</b>	<b>407.24</b>
Depreciation and amortisation expense	537.66	517.98
Provision for doubtful debts and advances (net of recoveries/reversals)	238.33	131.29
Net (gain) / loss on sale/ fair valuation of investments	0.12	(6.07)
ESOS expense	(7.29)	(0.98)
Finance costs	509.59	457.74
Sundry balances written-back	(19.92)	(24.78)
Loss on sale or death of livestock	13.70	16.39
Fair value change of livestock	(120.60)	(65.68)
Profit on sale of Property, plant and equipment (net)	(0.11)	-
Interest income	(43.60)	(20.49)
<b>Operating profit before working capital changes</b>	<b>(4,112.66)</b>	<b>1,412.64</b>
<b>Adjustments for :</b>		
(Increase) / decrease in inventories	2,160.50	(618.99)
(Increase)/decrease in trade and other receivables	1,185.35	300.20
(Decrease) / increase in trade and other payables	(574.04)	120.52
Increase / (decrease) in provisions	(7.72)	4.85
<b>Cash generated from operations</b>	<b>(1,348.57)</b>	<b>1,219.22</b>
Taxes paid (net of refunds)	(140.99)	(219.70)
<b>Net cash flows from operating activities</b>	<b>(1,489.56)</b>	<b>999.52</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Property, plant and equipment	(355.87)	(434.70)
Purchase of intangible assets	(1.10)	(8.85)
Sale of livestock	4.00	6.41
Sale of Property, plant and equipment	0.12	6.68
Maturity / (investment) of fixed deposits	69.55	(63.13)
Investment in mutual funds	8.20	(2.68)
Interest received	14.84	27.96
<b>Net cash flows used in investing activities</b>	<b>(260.26)</b>	<b>(468.31)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from long-term borrowings	-	-
Proceeds from issue of shares (net of issue expenses)	3,874.80	-
Proceeds / (repayment) short-term borrowings (net)	(896.91)	(40.44)
Repayment of long-term borrowings	21.70	(143.84)
Payment of dividend including dividend distribution tax	(47.69)	(42.06)
Interest paid	(474.79)	(459.20)
<b>Net cash flows from/ (used in) financing activities</b>	<b>2,477.11</b>	<b>(685.54)</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>727.29</b>	<b>(154.33)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>69.45</b>	<b>223.78</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>796.73</b>	<b>69.45</b>







## INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of Consolidated Financial Results

### Opinion

We have audited the accompanying Consolidated Annual Financial Results of **Parag Milk Foods Limited** (hereinafter referred to as the 'Holding Company') and its subsidiary (the Holding Company and its subsidiary together referred to as the 'Group') for the year ended 31st March, 2022 (the 'Statement'), attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India EBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the 'Listing Regulations').

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

- i. include the annual financial results of one subsidiary, Bhagyalaxmi Dairy Farms Private Limited – a wholly-owned subsidiary
- ii. is presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of the consolidated net loss and other comprehensive income/expense and other financial information of the Group for the year ended 31st March, 2022.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 (the 'Act'). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Results* section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter

We draw attention to Note 3 to the accompanying Statement which states the management's evaluation of the financial impact on the Company due to lockdown and other restrictions on account of covid-19 pandemic situation. Consequent to the assessment by the management, the inventories has been written-down by Rs. 5095.46 million. In addition to the above, the Company has concluded the negotiations with the milk aggregators and based on the Price Settlement Agreement with them, has adjusted the advances amounting to Rs. 1179.84 million.

We draw attention to Note 4 to the accompanying Statement relating to the search carried out under Section 132 of the Income Tax Act, 1961 in the month of November, 2021 concerning the Company and its subsidiary at certain premises/locations. The Company has received a 'Panchanama' dated 27th November, 2021. As explained to us, other than the above, there was no communication received from the Income Tax Department, till the date of reporting.

Our opinion is not modified in respect of these matters.

### **Board of Directors' Responsibilities for the Consolidated Financial Results**

These consolidated financial results have been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial results, the respective Board of Directors of the Companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material



misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group to express an opinion on the consolidated financial results. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



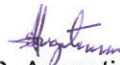
**Other Matter**

The Statement include the results for the quarter ended 31st March, 2022 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year which were subject to limited review by us.



Mumbai, 30th June, 2022

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

  
Edwin P. Augustine  
Partner

Membership No. 043385  
UDIN: 22043385ALZIU2791